COLONIAL DEVELOPMENT CORPORATION

REPORT AND ACCOUNTS FOR 1951

LONDON
HER MAJESTY'S STATIONERY OFFICE
THREE SHILLINGS NET

167

COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT AND STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED
31st December 1951

Presented to Parliament in pursuance of Section 16 (5) of the Overseas Resources Development Act, 1948

Ordered by The House of Commons *to be Printed*
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LONDON
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COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,
London, W.1

The Rt Hon Oliver Lyttelton, DSO, MC, MP
Secretary of State for the Colonies

The Members of the Colonial Development Corporation have the honour to submit the Report and Statement of Accounts for the year to 31.12.51.

(Sgd) J. C. W. Reith
R. E. Brook
H. E. C. Beaver
C. G. Darwin
H. M. Gibson
J. H. Hall
H. N. Hume
W. A. Lewis
Macdonald of Gwaenysgor
G. Tyser

Sinclair Hunter, *Secretary*
27 March 1952

Members

Lord Reith (*Chairman*)

R. E. Brook (*Deputy Chairman*)

Sir Hugh E. C. Beaver, MInstCE, MIChemE

Sir Charles G. Darwin, KBE, MC, ScD, LLD, FRS

H. M. Gibson, JP

Sir John Hathorn Hall, GCMG, DSO, OBE, MC

H. N. Hume, CBE, MC

Professor W. A. Lewis, PhD

Lord Macdonald of Gwaenysgor, PC, KCMG

G. Tyser

Notes

(1) Lord Milverton, to the regret of all his colleagues, retired on the expiry of his appointment term on 30.6.51;

(2) Mr. A. J. Mitchell resigned on 30.11.51 on Corporation appointment as Regional Controller, Central Africa and High Commission Territories;

(3) Sir John Hathorn Hall was appointed a Member on 19.11.51;

(4) Sir Hugh E. C. Beaver on 10.12.51;

(5) Lord Macdonald on 23.1.52.

Executive Chief Officers

Head Office Controllers

Administration ...	A. E. Porter, CSI, CIE ...	appointed	24.4.51
Commercial ...	A. Poole		26.4.51
Operations ...	P. L. Yates		8.5.51
Finance (acting) ...	R. F. Daly		1.5.48

Regional Controllers

Caribbean ...	D. L. Anderson, CBE, TD, MInstCE ...	1.9.51
Far East	A. R. Pratt	1.3.52
East Africa ...	R. E. Norton, CMG, OBE	3.9.51
Central Africa ...	A. J. Mitchell, OBE, MInstCE	1.12.51
West Africa ...	G. E. Mercer	14.11.51

Regional Areas

Caribbean... ...	British Honduras, British Guiana, all British West Indies Islands; headquarters Kingston, Jamaica;
Far East	British North Borneo, Brunei, Sarawak, Malaya, Singapore, Hong-Kong, Fiji and the Western Pacific Islands; headquarters Singapore;
East Africa ...	Kenya, Uganda, Tanganyika, the Seychelles, Mauritius, Zanzibar; headquarters Nairobi;
Central Africa and High Commission Territories	Nyasaland, Northern Rhodesia, Bechuanaland, Swaziland, Basutoland; headquarters Salisbury, Southern Rhodesia;
West Africa ...	Nigeria (including the Cameroons), The Gold Coast (including Togoland), The Gambia, Sierra Leone; headquarters Lagos.

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COLONIAL DEVELOPMENT CORPORATION

ANNUAL REPORT 1951

I GENERAL REVIEW

1 Number of undertakings and distribution

(1) (*a*) At 31.12.51 there were 53 undertakings in operation—an increase of three on 1950 ;

(*b*) during the year ten new undertakings or investigations were started ; two—Keningau Cattle Ranch and British Somaliland Trading Investigation—were abandoned ;

(*c*) five undertakings were liquidated :

Atlantic Fisheries

Gambia Poultry Farm

Gambia River Farms

Marudu Rice Farm

Nyasaland Fisheries Ltd.

(2) (*a*) Here is the functional distribution :

Division	Number	Capital Sanctioned	
		£	%
Agriculture	16	9,628,350	27·0
Animal Products	3	2,716,000	7·6
Factories	6	4,412,000	12·4
Fisheries	4	978,500	2·7
Forestry	4	3,934,361	11·0
Hotels	2	210,000	·6
Minerals	5	3,171,000	8·9
Works	3	233,800	·6
Others	8	8,715,283	24·4
Services	2	1,730,000	4·8
	53	35,729,294	100·0

(*b*) and here the distribution by region and territory :

Region and Territory	Scheme	Capital sanctioned for	
		Undertaking	Region and Territory
		£	£
CARIBBEAN			7,380,950
Bahamas ...	Bahamas Development—Andros	544,000	
	—Eleuthera	490,000	1,034,000
British Guiana	British Guiana Consolidated Goldfields Ltd ...	762,000	
	British Guiana Timbers Ltd	1,713,000	2,475,000
British Honduras	Barton Ramie Estate	347,000	
	British Honduras Fruit Co Ltd	432,950	
	British Honduras Stock Farms	577,000	
	Cramer Estates	59,000	
	Fort George Hotel	90,000	
	Sittee Cocoa	227,000	1,732,950
Dominica ...	Dominica Grouped Undertaking	327,000	327,000
Jamaica ...	Grand Cayman Cannery	84,000	
	Jamaica Citrus Growers Ltd	110,000	
	Jamaica Cooling Store	138,000	
	Turks Islands Salt Co Ltd	80,000	412,000
St Lucia ...	Castries Reconstruction Agency	—	—
St Vincent ...	Hydro-Electric Scheme and Cold Store	200,000	200,000
Trinidad ...	Trinidad Cement Ltd	1,200,000	1,200,000
FAR EAST			8,333,783
Malaya and Singapore	Central Electricity Board	4,317,950	
	Federal and Colonial Building Society Ltd ...	2,333,333	
	Kulai Oil Palm Estate	229,000	
	Malayan Cocoa Ltd	33,500	
	Singapore Factory Development	175,000	7,088,783
North Borneo	Borneo Abaca Ltd (with Kuhara Rubber Estate)	1,245,000	1,245,000
EAST AFRICA			4,241,900
Kenya ...	East Africa Industries Ltd	500,000	
	East African Ramie Investigation...	16,900	
	Macalder-Nyanza Mines Ltd	1,700,000	2,216,900
Seychelles ...	Seychelles Fisheries	350,000	350,000
Tanganyika...	Kitario-Kiabakari Mines Investigation	100,000	
	Murongo Mines Investigation	200,000	
	Tanganyika Coalfields Investigation	409,000	
	Tanganyika Roadways Ltd	196,000	
	Tanganyika Wattle Estates	650,000	1,555,000
Uganda ...	Lake Victoria Hotel Ltd	120,000	120,000
CENTRAL AFRICA			9,378,000
Bechuanaland	Bechuanaland Cattle Ranch	1,229,000	
	Lobatsi Abattoir	910,000	2,139,000
N Rhodesia	Chilanga Cement Ltd	1,500,000	1,500,000
Nyasaland ...	Kasungu Tobacco Estates	173,000	
	Vipya Tung Estates...	1,559,000	1,732,000
Swaziland ...	Swaziland Irrigation Scheme	2,580,000	
	Usutu Forests	1,427,000	4,007,000
	Total (carried forward)		£29,334,633

Region and Territory	Scheme	Capital sanctioned for	
		Undertaking	Region and Territory
		£	£
	Total (brought forward)...		29,334,633
WEST AFRICA			4,120,161
The Gambia	Gambia Rice Farm	1,115,000	1,115,000
Nigeria ...	Apapa Site, Lagos	33,800	
	Lagos Executive Development Board	1,250,000	
	Niger Agricultural Project Ltd	250,000	
	Nigerian Fibre Industries	990,000	
	Omo Sawmills of Nigeria Ltd	144,361	
	West African Fisheries and Cold Store	337,000	3,005,161
FALKLAND ISLANDS			414,500
	Falkland Islands Freezer	253,000	
	South Atlantic Sealing Co Ltd	161,500	
TRISTAN DA CUNHA			130,000
	Tristan da Cunha Development Co Ltd	130,000	
SERVICES			1,730,000
	CDC Shops	130,000	
	Works	1,600,000	
	Total ...		35.729,294
	Add:		
	Capital sanctioned for projects not proceeded with:		
	Caribbean Shipping Co	75,000	
	Jamaica Mixed Farm	160,000	
	Zambezi Hotel	153,000	388,000
	Capital sanctioned for work abandoned:		
	Atlantic Fisheries	505,000	
	British Somaliland Trading	10,000	
	Gambia Poultry...	910,000	
	Gambia River Farms	10,000	
	Keningau Cattle Ranch	15,000	
	Marudu Rice	10,000	
	Nyasaland Fisheries Ltd	10,000	
	(of which about £295,000 will not be needed)		1,470,000
	Total		£37,587,294

2 Planning

(1) There was much organisation, retrenchment and consolidation in 1951 ; most of the time thus occupied ; but there was some planning for the future ; some new ventures considered.

(2) 37 possibilities were under examination at the end of the year.

(3) 48 other proposals were rejected.

3 Financial results

(1) The trading losses on operational undertakings (statement 5) were £643,404 ; £211,219 in 1950. After adding head office and overseas offices expenses the consolidated operating loss of Corporation and subsidiaries for the year was £1,070,043 ; £524,917 in 1950.

(2) There were losses on the realisation of assets of abandoned undertakings, and provision has been made for capital losses on undertakings and investments in subsidiaries. The total deficiency attributable to Corporation was £2,905,290 ; £1,320,249 in 1950.

(3) Cumulative consolidated deficiency incurred by Corporation, £4,594,599, includes heavy expenditure on investigation of projects not followed up £185,003
and these non-recurring items:

Losses (including trading losses) on undertakings abandoned	1,143,027
Provision for capital losses on investments and undertakings	1,807,853
Trading losses of undertakings for which provision for capital losses has been made above ...	264,904
	£3,400,787

4 Retrospect and prospect

(1) Maybe it was thought in some quarters that the 1950 losses and provisions against losses would carry the Corporation through 1951 ; and that there would be fewer tales of woe to be unfolded in the present Report.

(2) Last year there were references to clearer and stronger methods of organisation and administrative procedures at headquarters ; and to the appointment of Regional Controllers on whom devolution of authority and responsibility would be as considerable and as speedy as individuals and circumstances permitted.

(3) All this was bound to take time ; time for the new executives in London and overseas to get around their commands ; to judge the prospects of the works and the competence of those in charge.

(4) So, as indicated, most of 1951 went in redding-up ; in examining and assessing ; in adjustments and abandonments ; a vexatious occupation when there was so much positive work clamant to be done.

(5) Lessons have surely been learned—as from the Gambia Poultry Farm ; for instance, that any suggestions for immediate large-scale development must be treated with particular caution.

(6) Caution also against a too heavy stocking up with expensive machinery and tools ; against too heavy European staffing ; oncosts, for one reason or another, have often been beyond reason heavy.

(7) As the Corporation has suffered in the past not just from inaccurate estimating, and from incompetence, but from estimates being overtaken by rising costs, so a warning must be given against rises greater than those for which allowance has even now been made.

(8) This applies particularly to schemes known under favourable circumstances to be marginal, but which were (and should be) undertaken as a contribution to colonial development—a matter dealt with in Section II.

(9) There is serious hazard also in the shortage of materials—steel especially ; development costs are often inflated by the postponement of revenue earning through late deliveries.

(10) And always, over the majority of the enterprises, the perils of the tropics, vagaries of wind and flood and drought, of ravage and disease.

(11) Another lesson learned—that too much was attempted in the past by way of direct executive management—the Corporation all on its own.

(12) Other things being equal, deliberate policy is to look for experienced private enterprise partners to share in investment and in management.

(13) And Government financial participation is almost always sought, but by no means always forthcoming.

(14) Here in fact may be one of the soundest lines of development; schemes suggested by Governments, themselves meeting the essential but financially unremunerative elements with their own or Colonial Development and Welfare funds; the Corporation and its partners taking care of the rest. No schemes of this sort have so far materialised; they will persistently be sought in future.

(15) Perhaps the greatest anxieties have arisen from over-capitalisation; the project weighed down by its own overheads before production has begun.

(16) Increasingly in 1951 the Corporation has restricted scale and tempo of development within existing capital sums approved; "coat according to cloth" principle.

(17) Admittedly arbitrary—but there is no formula by which to decide how far it is justifiable to chase rising estimates of costs.

(18) Nor is there any formula by which to decide whether, on this or that enterprise to add another £50,000 to the £500,000 already spent; good money after bad, or just what is needed to turn a loss into gain.

(19) And let this be clear—that it is as wrong to act prematurely in the abandonment of an undertaking as to procrastinate month after month; it is not a matter of courage, nor even of faith, but of straight commercial foresight and prudence in ways that are far from straight.

(20) Anyhow, the managerial systems in London and overseas have uncovered the causes of the troubles herein retailed, and the financial consequences of which are writ clear.

(21) There is control in head office and the regions on all its work, and on all departments of its work; control which will be increasingly effective in 1952; and 1951 should constitute the peak of Corporation loss; next year's story should be different.

(22) So, however displeasing this Report may be within and without the Corporation, it should mark the end of a stage; provided Government brings its financial requirements into line with its basic intention (see Section II), Parliament, public and staff can look forward with confidence in the Corporation, its purpose and its work.

II FINANCIAL BACKGROUND TO OPERATIONS

5 The Corporation is constituted to operate commercially, but its financial circumstances and conditions are at variance with commercial practice and purpose; the crucial distinction lies in the fact that the capital structure includes no ordinary shares, but only debentures; the crucial result is inelasticity; moreover any loss—the normal result in the first phase of development—means failure to fulfil the obligation to pay interest and principal.

6 Financial arrangements with Government

(1) The Corporation has no funds of its own ; Government provides capital for approved schemes in the form of long-term redeemable loans at fixed interest ;

(2) When approval is given for a scheme, its cost has been estimated : up to this total, advances are made piecemeal as required ;

(3) If this total is not enough to see the job through—due to rise in costs since the estimates were made, or to mistakes in them, or to bad management, or for any other reason—a supplementary estimate has to be put in ;

(4) Whatever the position—even if the money has all been wasted owing to the job having to be abandoned—the advances have to be repaid ; and interest is charged on them till they are ;

(5) Forty years is the repayment period for advances ; and the interest may vary from one advance to the next ; whatever the Government fixes as its own standard for long-term credit ;

(6) There is a sort of moratorium for the first seven years ; neither interest payments nor repayments of capital begin until the eighth year but, from eighth to fortieth year, annual payments will be demanded to wipe off interest and capital ; the effect of this is that the loans have an average life of about 32 years.

7 The interest issue

(1) As to interest, there is more to be said ; a lot can happen—and unfortunately does—because funds are provided as required over a period, maybe a long period ; and because the rate may vary from one advance to the next ;

(2) Here is the variation already ; through 1948 and 1949 3 per cent ; on 1.1.50 $3\frac{1}{2}$ per cent ; on 19.11.51 $3\frac{3}{4}$ per cent ; on 11.2.52 $4\frac{1}{4}$ per cent—an increase of over 40 per cent in the largest overhead ;

(3) Corporation on most undertakings incurs new capital expenditure over a period of years, but cannot fix terms for this finance at the time of commitment, nor insure against future increases in interest rates by drawing or even reserving money in advance of requirements ;

(4) And so its estimates may prove to be all wrong on this consideration alone ; long before the approved sum has been drawn, the expected profit may have disappeared ;

(5) As an example, the loan to the Malayan Central Electricity Board is a 4 per cent debenture, negotiated when Government rate was 3 per cent ;

(6) With increases of rate since this deal was settled, Corporation's return on a loan of £3,750,000 will be reduced from £37,500 to £6,425—an *ad absurdum* 0.2 per cent ;

(7) And what becomes of that if there be another rise in rate?

(8) Of course the Corporation can in future safeguard itself—or try to—in a straight debenture type of agreement by insisting on a rise in debenture rate with a rise in Government interest rate ;

(9) But not all borrowers will accept this uncertainty ; and few undertakings consist of simple investment.

8 The purpose and the method

(1) The Corporation was not set up to compete with private capital but to supplement it ; it was obvious that there was not enough private capital for the colonial development jobs urgently required ;

(2) Development means adventure and risk ; means, historically, a long wait and problematical returns ; hence the hesitation of investors and the need for Corporation to fill the gap ;

(3) The Act of Parliament *motif*, primary and compelling (and, otherwise than commercially, exciting), is to do economic good ; just that ; but to do it without losing money ;

(4) But administrative action may frustrate the *motif* by applying the standard terms for long-term loans ; especially since behind such loans there is normally the buffer of ordinary capital to bear the risks ;

(5) The Corporation has no such buffer ; nor can it rely on passing on its costs to the consumer, as does a public utility ;

(6) Though the seven-year postponement of interest is convenient, there is no remission or special consideration about it ;

(7) Thereafter, with the rate as now, earnings must average 6¾ per cent after payment of colonial tax to meet interest ; or more with overheads ; more still if advances are to be duly repaid ; and that, on average, is asking a great deal from the kind of jobs the Corporation has to take on ;

(8) Even this is not the end of the story ; losses have to be written-off—£4½ million of them at the end of 1951 ; or rather, since there is literally no writing-off, that sum has to be carried *sine die* like a millstone round the neck ; interest paid on it ; itself be repaid somehow or other ;

(9) The result must be to deflect Corporation from its primary purpose of opening up new fields of development until times—and rates—change, unless the case which Corporation has presented to Government on these fundamental financial difficulties leads to some measure of relief.

III ADMINISTRATION

9 Organisation

(1) Membership of Corporation and changes therein are on page iii.

(2) The special Board Commercial Committee has functioned throughout the year.

(3) Executive Chief Officers are on page iv.

(4) Executive Management Board (Chairman, Deputy Chairman, Controllers) established early in 1951 has met twice weekly.

(5) Regional Controllers rank as members of Executive Management Board and attend it when in London ; they answer to each head office Controller within his functional sphere, but are overall subordinate only to the Chief Executive.

(6) They are responsible for all Corporation staff and activities, and for Corporation interests in associated and subsidiary companies ; they have absorbed the work of regional corporations and of colony representatives.

(7) Colonial Development Corporation (Engineering) Ltd no longer functions ; such contracting work as continues, together with design and supervision of works for the Corporation, is handled by Works Division (para 73).

(8) Shops Syndicate was dissolved : for Central African shops there is a buying agency in Johannesburg under Regional Controller (Central Africa and High Commission Territories) (para 72).

10 Numbers employed

(1) On 31.12.51 :

(*a*) 325 in UK including Eynsham Depot, over 17,500 overseas ;

(*b*) of UK staff 119 were executives, the rest clerical, secretarial and manual ;

(*c*) overseas staff : 900 were in managerial and executive posts ; 2,800 skilled or semi-skilled artisans ; the rest local unskilled ;

(*d*) regional totals : Caribbean, 3200 ; Central Africa, 7,000 ; East Africa, 4,150 ; Far East, 1,300 ; West Africa, 1,800 ; (the rest outside regional areas) ;

(*e*) agricultural undertakings employed 7,500 ; animal husbandry, 1,250 ; forestry, 4,150 ; fisheries, 250 ; minerals, 1,900 ; industries, 1,150 ; construction, 900 ; transport, hotels and regional administration the rest.

(2) (*a*) Overseas staff from UK is larger than it would be if undertakings had been working longer and there were enough local men with right qualifications. Some jobs (like mining) need technical specialists—found where may be ; but Corporation tries to staff jobs locally ;

(*b*) in the Caribbean already more than 60 per cent of the ' white collar ' staff are local ; elsewhere the proportion is much smaller ; everywhere it will increase as qualified men become available and willing.

11 Turnover and labour supply

(1) Turnover, as was to be expected, was high :

(*a*) as to executives, due partly to changes in plan involving reduction of staff and abandonment of jobs ; partly to expiration of fixed-term contracts ; partly to misjudgement and misfortune in selection —to some extent inseparable from a too rapid growth from nothing ;

(*b*) other UK staff, from causes similar to (*a*), but also with heavy resignations among clerical staff for health and other domestic reasons ;

(*c*) overseas labour, due to usual seasonal employment, with some improvement as better arrangements for housing, shops and rations take effect.

(2) In some parts labour is wholly inadequate in quantity and quality but there are signs of improvement.

(3) Specialists of various kinds are still hard to find for overseas work—in accountancy and tropical agriculture particularly.

12 (1) Administration costs for the London and overseas offices were : London, £339,510 ; overseas, £145,037 ; total, £484,547.

(2) These costs are high ; there is persistent effort to keep them down ; rising prices of every kind contribute to the increase ; staff—one of the biggest factors—is under continuous review ; numbers in London fell from 338 in September 1951 to 302 in March 1952.

(3) Administrative costs in London and overseas have been charged to subsidiary companies on the basis of fixed fees ; the other undertakings on a proportion of the costs of headquarters' technical division and of regional expenses ; amounts so charged £200,649.

13 Labour relations

(1) Over 16,500 locally recruited colonials are engaged—not counting employees of contractors on Corporation work ; the rest include Asians and foreign nationals and about 400 from UK.

(2) Trades unionism is not generally highly developed ; more active in British Guiana and in Nigeria, Western Provinces, than elsewhere. Corporation is guided by local Labour Departments ; on their advice seeks co-operation with responsible trades unions.

(3) Man-days lost overseas by strikes were about one per thousand ; more than half in wages disputes on British Guiana Timbers ; there was a three weeks' strike in Eleuthera and short stoppages at Murongo Mines, Tanganyika Wattle and Falkland Islands Freezer.

(4) There are full-time labour and welfare officers in eight undertakings ; the number will be increased as projects develop.

14 Training

(1) Heavy turnover and pressure on managers and staff in the early stages of undertakings have left little time for extensive training schemes.

(2) On all projects, however, partially skilled artisans are trained on the job, particularly vehicle drivers, building staff, crews of fishing vessels ; on British Guiana Consolidated Goldfields and Tanganyika Roadways there are small schemes for apprentices ; there are training schemes at Chilanga for all types of skilled work and for section leaders ; at Usutu Forests for skilled posts.

(3) Seven colonials were on the head office staff ; two under training as accountants for posts when they qualify.

15 Welfare

(1) (*a*) A care for the inhabitants of countries in which Corporation operates is not just a statutory obligation ; it is fundamental to Corporation's purpose ;

(*b*) as primary task is to assist in developing resources of the colonies, local people must therefore be encouraged and helped to play some part in that development ; and to make full use of the increased productivity which is the objective ;

(*c*) social services are primarily the concern of Colonial Governments assisted by Colonial Development and Welfare funds ; Corporation recognises, however, that it has a responsibility for the well-being of its employees ; perhaps beyond ;

(*d*) but Corporation is commercially constituted and conditioned ; provision of services earning no revenue such as hospitals and schools, however much needed, adds to the burden ;

(*e*) sometimes there has been a sharing of costs—but, however well-disposed Corporation may be, it cannot welcome this increase of overheads.

(2) (*a*) Where projects are started far from settled populations, as usually, housing has been provided for labour ; often for families also. During the early experimental and development stages it is temporary, often little better than the traditional grass or mud and wattle huts.

(*b*) As projects become established permanent houses are built of good design and structure, varying with local climatic conditions and material available ; where possible the aim is village communities, not labour lines and compounds.

(3) (*a*) There are full-time doctors on five undertakings ; another will be appointed very soon. There are six nursing sisters and about twenty trained dispensers, locally recruited, in twelve specially built dispensaries ; not only employees but surrounding populations benefit from these facilities ;

(*b*) by arrangement with local administrations some schools have been built, Corporation for instance providing sites and buildings, Government providing teachers or contributing to their salaries.

(4) Food rations are issued regularly on about 20 projects ; scales are as good as—where possible better than—local regulations prescribe. Usually they are bought locally but there are special farms at Usutu Forests and Vipya Tung Estates. Similar arrangements are planned elsewhere ; employees are also encouraged to grow food in garden plots allotted to them.

16 Local Association

(1) The boards of seven subsidiary companies have local residents serving as directors.

(2) (*a*) Some local consultative committees have been set up, others are contemplated ;

(*b*) wherever representative bodies exist they are consulted ; in Bechuanaland, for instance, there is regular contact with both African and European Advisory Councils.

(3) (*a*) An effective way of bringing colonials into association and active participation is through land settlement schemes, such as Niger Agricultural Project, and co-operatively owned undertakings ;

(*b*) at Njombe, Tanganyika, practical instruction is given to Africans in growing their wattle ; in a few years, when the trees are mature and the factory is operating, this should develop into a profitable peasant industry.

(4) (*a*) In countries with plural communities Corporation can provide means for inter-racial partnership and co-operation ;

(*b*) Corporation encourages European staff overseas to learn the local language ; their promotion depends partly on proficiency in it.

(5) In time full managerial, technical and financial responsibility for some undertakings may be handed over to local people, Corporation selling out, money set free for use elsewhere. This is a long-term aim ; longer in some places than in others.

(6) Meanwhile Corporation is trying, where at all possible, to associate local people with its work and to secure co-operation and goodwill. This duty devolves on Regional Controllers but a member of head office staff is visiting all regions to help.

IV FINANCIAL REPORT

17 Accounts for 1951

The accounts and supporting statements for the year to 31.12.51 follow:

Statement 1 Balance Sheet

Statement 2 Consolidated Balance Sheet

Statement 3 Details of undertakings supporting Consolidated Balance Sheet

Statement 4 Consolidated Profit & Loss Account of Corporation and subsidiaries

Statement 5 Profit & Loss Accounts of undertakings

Statement 6 Losses on realisation of abandoned undertakings

Statement 7 Notes forming part of the Accounts

18 Consolidated Balance Sheet

(1) Colonial Office advances increased by over £10,000,000 to meet the capital requirements of undertakings, mostly commitments from 1950 and earlier. Terms of advances are in statement 7.

(2) Provision against capital losses on investments and undertakings is now £1,750,000. The special provision at 31.12.50 of £450,000 for the Gambia Poultry Farm has been applied against losses on realisation of the assets of that undertaking.

(3) Net book value of fixed assets, expenditure on development and investments has increased by £6,845,947 from £9,936,463 to £16,782,410. The largest single increase is in freehold and leasehold land and buildings (£2,759,134) which covers building and construction at undertakings and the acquisition of new estates. Debentures and secured loans increased by £2,138,738 principally due to loans to Central Electricity Board of Malaya.

(4) Expenditure on development is this year shown under its constituent items, chief of which are general development, surveys, etc, and mining development. Tree crops are shown separately.

(5) Excess of book value of investment in subsidiary companies over net assets (£482,314) includes £447,547 for Borneo Abaca Ltd, of which £326,957 is premium on shares purchased and assessed under arbitration.

(6) Detail of assets and liabilities of individual undertakings are given in statement 3.

19 Consolidated Profit & Loss Account

(1) Gross income from sales and interest has increased from £905,911 to £1,877,756.

(2) Loss on operational undertakings, after charging a proportion of regional and head office expenses (£77,121) was £643,404; it was £211,219 in 1950.

(3) It includes £218,929 incurred by the abandoned Gambia Poultry Farm and Atlantic Fisheries and also £87,813 in operating a Works depot in Nyasaland opened early in 1950 but now closing down.

(4) 12 undertakings which became revenue producing in 1951 incurred a trading loss of £376,594. For undertakings entering into production a period of initial loss is to be expected, lasting—and the loss some-

times increasing—until the full scope of operations is realised. Details of trading results of each undertaking are in statement 5.

(5) At the end of the year 31 undertakings were trading or earning interest ; capital authorised for them was £24,223,094 of which £14,361,047 had been spent.

(6) Head office and overseas offices expenditure was £484,547. This as explained in para 12 has been allocated to undertakings on the same basis as last year ; where undertakings are still in development stage part of the expenditure so allocated has been carried forward as development. The net charge to Profit and Loss Account for head office and overseas offices expenses excluding that carried forward as development, but including that charged to the trading accounts of undertakings in the production stage (£77,121), increased from £273,967 to £361,019.

(7) Investigation expenditure on projects not followed up cost £88,327 ; it was £65,274 in 1950.

(8) After charging these items of expenditure, and providing for colonial income tax, the consolidated operating loss of Corporation and subsidiaries for the year was £1,070,043 ; it was £524,917 last year. Losses less profits attributable to the interests of minority shareholders were £8,203, leaving a consolidated operating loss attributable to Corporation and subsidiaries of £1,061,840.

(9) Losses on realisation of undertakings abandoned, £332,537, (see statement 6) have been written off. Provision for depreciation of investments and undertakings has been increased by £1,500,000 to meet expected capital losses. Preliminary expenses written off in the accounts of subsidiary companies totalled £10,871. After making provision for these items the consolidated net loss attributable to Corporation is £2,905,290 ; it was £1,320,249 in 1950.

(10) Losses of subsidiary companies amounting to £244,645 have been carried forward in their books ; a provision for this amount has been made in Corporation Balance Sheet (statement 1).

(11) Total consolidated deficiency incurred by Corporation since inception as already shown—is £4,594,599 of which £3,400,787 relates to abandoned and depreciated undertakings and projects.

STATEMENT OF ACCOUNTS

BALANCE SHEET

31.12.50			
£	CAPITAL LIABILITY TO THE COLONIAL OFFICE	£	£
	Long term advances	21,058,000	
11,095,000	Temporary advances	150,000	
			21,208,000
	CURRENT LIABILITIES		
252,894	Amount owing to a subsidiary company ...	22,181	
838,568	Creditors and accrued charges	1,470,613	
			1,492,794
	PROVISION		
	Losses on investments in subsidiary companies and undertakings at 1st January 1951 ...	250,000	
	Amounts transferred from Profit and Loss Account (Statement 4)	1,744,645	
700,000			1,994,645
	The relevant notes on Statement 7 form part of this Balance Sheet.		
	(Signed) J. C. W. Reith R. E. Brook		
£12,886,462			£24,695,439

Report to the Colonial Development Corporation by the Auditors appointed under of State for

We have audited the above Balance Sheet and have obtained all the information and So far as appears from our examination, proper books of account have been kept by the

In our opinion and to the best of our information and according to the explanations given Statement 7 applicable thereto a true and fair view of the state of the Corporation's affairs

We have examined the annexed Consolidated Balance Sheet (Statement 2) and the Corporation and its subsidiary companies, certain of which have not been audited by us. applicable thereto have been properly prepared so as to give a true and fair view of the state Corporation and also of the subsidiary companies so far as concerns the Corporation.

11, Ironmonger Lane, London, E.C.2
27th March 1952

CORPORATION

AT 31.12.51

STATEMENT 1

31.12.50		Cost	Depreciation and amounts written off	
£	FIXED ASSETS	£	£	£
2,387,229	Freehold and leasehold land, plantations, concessions and buildings	4,335,113	81,592	4,253,521
473,500	Plant and machinery	760,611	135,646	624,965
16,475	Contracting plant	501,466	109,603	391,863
507,181	Ships and vessels	523,214	209,856	313,358
314,826	Land clearance equipment, tractors and agricultural equipment	503,647	79,145	424,502
207,054	Motor vehicles and rolling stock	398,872	131,896	266,976
137,034	Furniture, fixtures, office and hotel equipment	227,070	41,103	185,967
4,043,299		7,249,993	788,841	6,461,152
222,939	TREE CROPS AT COST			485,052
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF—			
	Land clearance		78,792	
	Mining investigations and development ...		264,753	
949,580	General development, surveys and revenue expenditure carried forward		671,356	
				1,014,901
	INVESTMENTS AT COST			
139,691	Shares in associated companies		119,286	
1,145,372	Debentures and secured loans		3,287,837	
				3,407,123
	SUBSIDIARY COMPANIES			
894,728	Investments at cost		3,262,131	
2,572,598	Amounts owing by subsidiary companies...		2,950,698	
				6,212,829
9,968,207				17,581,057
	CURRENT ASSETS			
778,018	Stocks, stores and livestock at cost or market value whichever is lower or at valuation		1,356,427	
32,183	Growing crops at cost or valuation ...		149,629	
—	Work in progress at cost		123,476	
260,365	Debtors and prepayments less provisions ...		376,510	
154,327	Cash at banks and in hand		509,688	
				2,515,730
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.51		1,693,362	
1,693,362	Loss for year ended 31.12.51		2,905,290	
				4,598,652
£12,886,462				£24,695,439

Section 16 (3) of the Overseas Resources Development Act, 1948, by the Secretary the Colonies

explanations which to the best of our knowledge and belief were necessary for that purpose. Corporation and adequate returns have been received from overseas offices.

to us, the said Balance Sheet which is in agreement with the books, gives with the notes on as at 31st December 1951.

Consolidated Profit and Loss Account (Statement 4) with the audited accounts of the In our opinion such Balance Sheet and Profit and Loss Account with the notes on Statement 7 of affairs as at 31st December 1951, and of the losses for the year ended on that date of the

(Signed) PEAT, MARWICK, MITCHELL & Co.
Chartered Accountants
Auditors

CONSOLIDATED BALANCE SHEET OF THE CORPORATION

31.12.50			
£	CAPITAL LIABILITY		£
11,095,000	Advances from the Colonial Office		21,208,000
	INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY COMPANIES OVERSEAS...		
792,299			885,097
1,287,552	CURRENT LIABILITIES AND PROVISIONS		1,998,262
	PROVISION		
	Capital losses on investments and undertakings—	£	
	At 1.1.51	250,000	
	Amount transferred from Profit and Loss		
700,000	Account (Statement 4)	1,500,000	
			1,750,000
	The relevant notes on Statement 7 form part of this Balance Sheet.		
£13,874,851			£25,841,359

CORPORATION

AND SUBSIDIARY COMPANIES AT 31.12.51

STATEMENT 2

31.12.50		Cost or net book value at date of acquisition of shares less sales	Depreciation and amounts written off	
£	FIXED ASSETS	£	£	£
3,289,494	Freehold and leasehold land, plantations, concessions and buildings	6,267,872	219,244	6,048,628
1,207,726	Plant and machinery	1,916,476	268,971	1,647,505
307,440	Contracting plant	501,466	109,603	391,863
536,048	Ships and vessels	680,030	246,379	433,651
406,125	Land clearance equipment, tractors and agricultural equipment	727,245	155,762	571,483
308,895	Motor vehicles and rolling stock	613,675	217,470	396,205
197,212	Furniture, fixtures, office and hotel equipment	326,551	61,499	265,052
6,252,940		11,033,315	1,278,928	9,754,387
222,939	TREE CROPS AT COST			487,354
	EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF—			
	Land clearance		206,798	
	Mining investigation and development ...		512,912	
1,263,345	General development, surveys and revenue expenditure carried forward		944,724	
				1,664,434
	INVESTMENTS AT COST			
130,000	Shares in subsidiary company not consolidated		130,000	
139,691	Shares in associated companies		119,391	
1,695,814	Debentures and secured loans		3,834,552	
231,734	Building Society advances on mortgage ...		792,292	
				4,876,235
9,936,463				16,782,410
	CURRENT ASSETS			
1,213,312	Stocks, stores and livestock at cost or market value whichever is lower or at valuation		2,259,562	
55,167	Growing crops at cost or valuation ...		228,746	
—	Work in progress at cost		123,476	
496,536	Debtors and prepayments, less provisions...		712,746	
445,765	Cash at banks and in hand		627,932	
				3,952,462
25,061	PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES			29,574
12,172,304				20,764,446
13,238	EXCESS OF BOOK VALUE OF INVESTMENTS IN SUBSIDIARY COMPANIES over net tangible assets attributable thereto at date of acquisition ...			482,314
	PROFIT AND LOSS ACCOUNT			
	Balance at 1.1.51		1,689,309	
1,689,309	Loss for year ended 31.12.51		2,905,290	
				4,594,599
£13,874,851				£25,841,359

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Total	HO and Overseas Offices	Items not charged out to Undertakings at 31.12.51	Bahamas Development Andros
FIXED ASSETS				
Freehold and leasehold land, plantations, concessions and buildings...	£ 6,267,872	£ 290,513	£ —	£ 113,356
Plant and machinery...	1,916,476	63,894	43,280	26,359
Contracting plant	501,466	—	—	48,338
Ships and vessels	680,030	—	7,023	14,344
Land clearance equipment, tractors and agricultural equipment ...	727,245	48,651	9,272	17,429
Motor vehicles and rolling stock ...	613,675	46,032	12,756	12,323
Furniture, fixtures, office and hotel equipment	326,551	89,821	1,065	3,952
	£11,033,315	£538,911	£73,396	£236,101
Less: DEPRECIATION				
Freehold and leasehold land, plantations, concessions and buildings...	219,244	14,377	—	597
Plant and machinery	268,971	1,200	—	829
Contracting plant	109,603	—	—	9,630
Ships and vessels	246,379	—	—	2,608
Land clearance equipment, tractors and agricultural equipment ...	155,762	32	—	672
Motor vehicles and rolling stock	217,470	9,436	—	2,416
Furniture, fixtures, office and hotel equipment	61,499	19,125	—	318
	£1,278,928	£44,170	—	£17,070
NET BOOK VALUE OF FIXED ASSETS...	£9,754,387	£494,741	£73,396	£219,031
TREE CROPS	487,354	—	—	—
LAND CLEARANCE	206,798	—	—	5,292
MINING INVESTIGATIONS AND DEVELOPMENT	512,912	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	944,724	102,597	4,286	9,931
INVESTMENTS				
Shares in subsidiary company not consolidated	130,000	—	—	—
Shares in associated companies ...	119,391	—	—	—
Debentures and secured loans ...	3,834,552	—	—	—
Building Society advances on mortgage...	792,292	—	—	—
CURRENT ASSETS				
Stocks, stores and livestock... ...	2,259,562	165,970	30,262	29,921
Growing crops	228,746	—	—	4,559
Work in progress	123,476	—	—	—
Debtors and prepayments, less provisions	712,746	202,099	1,557	2,155
Cash at banks and in hand	627,932	142,701	68,733	6,107
PRELIMINARY EXPENSES of subsidiary companies	29,574	275	—	—
TOTAL ASSETS	£20,764,446	£1,108,383	£178,234	£276,996
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas ...	885,097	—	—	—
CREDITORS AND ACCRUED CHARGES...	1,998,262	910,724	726	16,901

CONSOLIDATED BALANCE SHEET AT 31.12.51

Bahamas Development Eleuthera	British Guiana Consolidated Goldfields Ltd	British Guiana Timbers Ltd	Barton Ramie Estate	British Honduras Fruit Co Ltd	British Honduras Stock Farms
£	£	£	£	£	£
358,219	—	441,268	13,506	50,786	24,548
55,653	—	119,423	7,170	8,220	8,194
—	—	—	—	—	—
9,069	—	83,859	1,739	17	1,294
1,937	—	78,783	25,162	80,624	19,709
6,145	—	17,186	3,135	11,574	5,823
16,458	—	11,098	1,330	4,834	4,970
£447,481	—	£751,617	£52,042	£156,055	£64,538
7,807	—	18,736	433	2,348	41
7,439	—	29,645	589	516	285
—	—	—	—	—	—
1,811	—	17,896	284	4	83
601	—	26,835	3,987	23,727	878
2,331	—	7,320	824	1,821	709
2,899	—	1,463	80	444	136
£22,888	—	£101,895	£6,197	£28,860	£2,132
424,593	—	649,722	45,845	127,195	62,406
—	—	—	—	2,302	—
—	—	—	5,123	42,133	3,252
—	—	—	—	—	—
9,992	—	170,944	16,388	21,765	20,387
—	—	—	—	—	—
—	87,852	105	—	—	—
—	192,037	—	—	—	—
—	—	—	—	—	—
52,987	—	198,391	10,064	50,280	20,360
13,388	—	—	17,489	79,117	160
—	—	—	—	—	—
21,312	—	48,400	66	18,864	2,130
3,065	—	9,424	1,731	2,998	4,220
—	—	9,080	—	589	—
£525,337	£279,889	£1,086,066	£96,706	£345,243	£112,915
—	—	72,616	—	—	—
8,302	—	50,850	1,495	36,874	1,935

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Cramer Estates	Fort George Hotel	Sittee Cocoa	Dominica Grouped Undertaking
FIXED ASSETS	£	£	£	£
Freehold and leasehold land, plantations, concessions and buildings	47,197	81,047	2,949	101,450
Plant and machinery	—	—	—	46,618
Contracting plant	—	—	—	—
Ships and vessels	—	—	2,456	—
Land clearance equipment, tractors and agricultural equipment	—	—	—	111
Motor vehicles and rolling stock	—	697	731	7,479
Furniture, fixtures, office and hotel equipment	—	5,580	2,361	5,439
	47,197	87,324	8,497	161,097
Less: DEPRECIATION				
Freehold and leasehold land, plantations, concessions and buildings	—	—	14	1,496
Plant and machinery	—	—	—	1,020
Contracting plant	—	—	—	—
Ships and vessels	—	—	121	—
Land clearance equipment, tractors and agricultural equipment	—	—	—	91
Motor vehicles and rolling stock	—	23	443	2,046
Furniture, fixtures, office and hotel equipment	—	—	302	1,037
	—	23	880	5,690
NET BOOK VALUE OF FIXED ASSETS	47,197	87,301	7,617	155,407
TREE CROPS	—	—	—	—
LAND CLEARANCE	—	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	—	11,800	18,115	30,792
INVESTMENTS				
Shares in subsidiary company not consolidated	—	—	—	—
Shares in associated companies	—	—	—	—
Debentures and secured loans	—	—	—	—
Building Society advances on mortgage	—	—	—	—
CURRENT ASSETS				
Stocks, stores and livestock	213	3,770	1,840	34,384
Growing crops	—	—	—	9,384
Work in progress	—	—	—	—
Debtors and prepayments, less provisions	1,063	17	91	846
Cash at banks and in hand	313	2,752	1,069	7,992
PRELIMINARY EXPENSES of subsidiary companies	—	—	—	—
TOTAL ASSETS	48,786	105,640	28,732	238,805
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	—	—
CREDITORS AND ACCRUED CHARGES	50	186	828	2,866

AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AT 31.12.51

Grand Cayman Cannery	Jamaica Cooling Store	Turks Islands Salt Co Ltd	Castries Reconstruction Agency	St Vincent Hydro-Electric Scheme and Cold Store	Trinidad Cement Ltd
£	£	£	£	£	£
18,126	84,963	—	—	14,330	—
7,521	28,330	—	—	2,152	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,346	4,408	—	—	1,727	—
249	1,917	—	—	604	—
27,242	119,618	—	—	18,813	—
—	1,368	—	—	106	—
—	1,364	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
180	538	—	—	106	—
18	386	—	—	8	—
198	3,656	—	—	220	—
27,044	115,962	—	—	18,593	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
10,950	12,042	—	—	3,063	—
—	—	—	—	—	—
—	—	—	—	—	21,567
—	—	30,000	—	—	—
—	—	—	—	—	—
7,769	1,892	—	—	2,287	—
—	—	—	—	—	—
—	—	—	—	—	—
403	4,937	—	4,482	—	—
3,484	1,770	—	1,116	3,237	—
—	—	—	—	—	—
49,650	136,603	30,000	5,598	27,180	21,567
—	—	—	—	—	—
238	4,110	—	578	7,388	—

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Bechuanaland Cattle Ranch	Lobatsi Abattoir	Chilanga Cement Ltd
FIXED ASSETS	£	£	£
Freehold and leasehold land, plantations, concessions and buildings	86,789	139,563	533,432
Plant and machinery	36,448	22,102	638,004
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	117,656	4,027	—
Motor vehicles and rolling stock	36,630	9,120	22,232
Furniture, fixtures, office and hotel equipment	11,212	1,556	6,667
	288,735	176,368	1,200,335
Less: DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	3,612	474	15,379
Plant and machinery	2,400	2,181	31,971
Contracting plant	—	—	—
Ships and vessels	—	—	—
Land clearance equipment, tractors and agricultural equipment	10,532	506	—
Motor vehicles and rolling stock	8,412	2,376	2,274
Furniture, fixtures, office and hotel equipment	1,349	110	1,169
	26,305	5,647	50,793
NET BOOK VALUE OF FIXED ASSETS	262,430	170,721	1,149,542
TREE CROPS	—	—	—
LAND CLEARANCE	—	248	—
MINING INVESTIGATIONS AND DEVELOPMENT ...	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	124,917	27,161	45,380
INVESTMENTS			
Shares in subsidiary company not consolidated	—	—	—
Shares in associated companies	—	—	—
Debentures and secured loans	—	—	—
Building Society advances on mortgage ...	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	125,465	169,314	132,047
Growing crops	8,429	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions ...	7,397	910	37,432
Cash at banks and in hand	85,720	34,021	7,102
PRELIMINARY EXPENSES of subsidiary companies	—	—	4,734
TOTAL ASSETS	614,358	402,375	1,376,237
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	320,032
CREDITORS AND ACCRUED CHARGES	40,338	16,738	145,240

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31.12.51

Kasungu Tobacco Estates	Vipya Tung Estates	Swaziland Irrigation Scheme	Usutu Forests	East Africa Industries Ltd	East African Ramie Investigation
£	£	£	£	£	£
44,357	234,422	569,013	393,574	77,075	—
4,954	18,415	34,843	49,195	173,084	6,254
—	—	—	—	—	—
—	—	—	—	—	—
10,240	56,216	123,914	11,608	—	—
7,963	40,591	46,567	24,215	5,728	—
4,951	18,243	11,970	3,507	6,163	—
72,465	367,887	786,307	482,099	262,050	6,254
3,917	32,943	5,428	1,739	17,245	—
520	5,383	2,725	12,181	35,457	—
—	—	—	—	—	—
—	—	—	—	—	—
3,052	14,111	27,492	2,506	—	—
4,230	27,135	15,777	8,485	1,780	—
1,046	4,830	1,866	1,331	961	—
12,765	84,402	53,288	26,242	55,443	—
59,700	283,485	733,019	455,857	206,607	6,254
—	215,892	—	149,047	—	—
6,126	—	58,751	—	—	—
—	—	—	—	—	—
8,730	—	90,967	—	10,207	2,913
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	5,800	—	—
—	—	—	—	—	—
23,479	66,461	177,700	56,647	225,599	680
27,880	15,665	49,109	—	—	—
—	—	—	—	—	—
1,290	19,414	8,205	2,634	127,240	—
5,950	3,232	4,817	1,086	28,369	—
—	—	—	—	—	—
133,155	604,149	1,122,568	671,071	598,022	9,847
—	—	—	—	163,334	—
5,186	15,951	92,343	16,187	88,020	—

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Macalder-Nyanza Mines Ltd	Seychelles Fisheries	Kiabakari Mines Investigation
	£	£	£
FIXED ASSETS			
Freehold and leasehold land, plantations, concessions and buildings	69,458	35,202	—
Plant and machinery	105,128	8,591	14,248
Contracting plant	—	—	—
Ships and vessels	—	112,584	—
Land clearance equipment, tractors and agricultural equipment	4,641	—	—
Motor vehicles and rolling stock	3,624	672	1,171
Furniture, fixtures, office and hotel equipment	13,265	1,209	690
	196,116	158,258	16,109
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	4,977	—	—
Plant and machinery	10,529	477	729
Contracting plant	—	—	—
Ships and vessels	—	9,856	—
Land clearance equipment, tractors and agricultural equipment	1,043	—	—
Motor vehicles and rolling stock	1,271	42	345
Furniture, fixtures, office and hotel equipment	825	38	70
	18,645	10,413	1,144
NET BOOK VALUE OF FIXED ASSETS	177,471	147,845	14,965
TREE CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	248,159	—	13,551
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	—	30,284	—
INVESTMENTS			
Shares in subsidiary company not consolidated	—	—	—
Shares in associated companies	—	—	—
Debentures and secured loans	—	—	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	150,235	20,548	394
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions	1,890	2,891	13
Cash at banks and in hand	3,567	4,104	16
PRELIMINARY EXPENSES of subsidiary companies	5,169	—	—
TOTAL ASSETS	586,491	205,672	28,939
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	40,000	—	—
CREDITORS AND ACCRUED CHARGES	28,998	17,615	136

AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AT 31.12.51

Murongo Mines	Tanganyika Coalfields Investigation	Tanganyika Roadways Ltd	Tanganyika Wattle Estates	Lake Victoria Hotel Ltd	Gambia Rice Farm	Lagos Executive Development Board
£	£	£	£	£	£	£
54,688	16,848	3,308	137,616	98,900	290,506	—
6,310	8,872	2,093	8,821	8,419	701	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	37,576	—	20,139	—
8,886	24,379	106,907	12,112	749	4,683	—
3,292	13,877	3,675	7,318	25,875	2,482	—
73,176	63,976	115,983	203,443	133,943	318,511	—
836	3,390	364	—	3,797	614	—
289	1,710	136	772	1,477	74	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	12,073	—	2,612	—
678	16,488	46,532	5,613	234	936	—
369	4,357	565	753	6,460	316	—
2,172	25,945	47,597	19,211	11,968	4,552	—
71,004	38,031	68,386	184,232	121,975	313,959	—
—	—	—	120,113	—	—	—
—	—	—	—	—	—	—
18,358	232,844	—	—	—	—	—
—	—	2,062	—	—	12,623	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	1,250,000
—	—	—	—	—	—	—
5,688	23,366	11,134	21,283	6,027	6,589	—
—	—	—	1,566	—	2,000	—
—	—	—	—	—	—	—
673	2,006	22,127	681	9,940	5,085	—
14,106	26,951	5,558	175	14,539	8,984	—
—	—	2,280	—	4,494	—	—
109,829	323,198	111,547	328,050	156,975	349,240	1,250,000
—	—	2,015	—	64,833	—	—
7,316	26,992	15,186	14,826	8,248	5,787	—

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Niger Agricultural Project Ltd	Nigerian Fibre Industries	Omo Sawmills of Nigeria Ltd
FIXED ASSETS	£	£	£
Freehold and leasehold land, plantations, concessions and buildings	38,327	10,613	108,776
Plant and machinery	7,149	27,756	24,815
Contracting plant	—	—	—
Ships and vessels	—	—	924
Land clearance equipment, tractors and agricultural equipment	38,293	—	6,824
Motor vehicles and rolling stock	10,502	488	15,585
Furniture, fixtures, office and hotel equipment...	5,598	1,267	1,841
	99,869	40,124	158,765
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	3,247	—	7,357
Plant and machinery	1,946	—	1,333
Contracting plant	—	—	—
Ships and vessels	—	—	403
Land clearance equipment, tractors and agricultural equipment	15,401	—	3,050
Motor vehicles and rolling stock	6,775	—	4,503
Furniture, fixtures, office and hotel equipment	1,328	—	210
	28,697	—	16,856
NET BOOK VALUE OF FIXED ASSETS	71,172	40,124	141,909
TREE CROPS	—	—	—
LAND CLEARANCE	85,873	—	—
MINING INVESTIGATIONS AND DEVELOPMENT ...	—	—	—
GENERAL DEVELOPMENT SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	10,562	58,482	3,765
INVESTMENTS			
Shares in subsidiary company not consolidated	—	—	—
Shares in associated companies	—	—	—
Debentures and secured loans	—	—	—
Building Society advances on mortgage ...	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	36,007	2,898	52,385
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments, less provisions ...	35,725	—	13,825
Cash at banks and in hand	2,492	—	11,508
PRELIMINARY EXPENSES of subsidiary companies...	2,762	—	—
TOTAL ASSETS	244,593	101,504	223,392
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	114,786	—	107,481
CREDITORS AND ACCRUED CHARGES	4,629	2,060	15,705

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AT 31.12.51

West African Fisheries and Cold Store	Central Electricity Board	Federal and Colonial Building Society Ltd	Kulai Oil Palm Estate	Malayan Cocoa Ltd	Singapore Factory Development	Borneo Abaca Ltd
£	£	£	£	£	£	£
94,020	—	3,116	156,430	—	73,009	454,988
25,078	—	—	24,814	—	—	46,160
—	—	—	—	—	—	—
87,272	—	—	—	—	—	40,443
—	—	—	—	—	—	14,433
11,695	—	1,344	1,670	—	—	17,115
4,535	—	2,422	1,976	—	—	12,501
222,600	—	6,882	184,890	—	73,009	585,640
695	—	—	2,478	—	—	55,397
309	—	—	2,874	—	—	17,298
—	—	—	—	—	—	—
8,279	—	—	—	—	—	13,470
—	—	—	—	—	—	6,561
3,978	—	579	389	—	—	11,089
229	—	408	264	—	—	5,292
13,490	—	987	6,005	—	—	109,107
209,110	—	5,895	178,885	—	73,009	476,533
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
27,696	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	9,867	—	—
—	2,240,000	116,715	—	—	—	—
—	—	792,292	—	—	—	—
11,736	—	214	14,272	—	—	25,074
—	—	—	—	—	—	—
—	—	—	—	—	—	—
1,700	—	44	1,392	—	—	4,340
1,331	—	11,167	10,104	—	—	11,687
—	—	—	—	—	—	—
251,573	2,240,000	926,327	204,653	9,867	73,009	517,634
—	—	—	—	—	—	—
28,671	—	12,586	10,552	—	—	109,629

COLONIAL DEVELOPMENT CORPORATION

DETAILS OF UNDERTAKINGS SUPPORTING

	Kuhara Rubber Estate	Falkland Islands Freezer	South Atlantic Sealing Co Ltd
FIXED ASSETS	£	£	£
Freehold and leasehold land, plantations, concessions and buildings	626,558	226,172	18,817
Plant and machinery	4,675	38,797	23,370
Contracting plant	—	—	—
Ships and vessels	637	—	31,573
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	2,518	613	—
Furniture, fixtures, office and hotel equipment	790	4,651	937
	635,178	270,233	74,697
Less DEPRECIATION			
Freehold and leasehold land, plantations, concessions and buildings	35	—	7,204
Plant and machinery	72	—	3,017
Contracting plant	—	—	—
Ships and vessels	18	—	4,750
Land clearance equipment, tractors and agricultural equipment	—	—	—
Motor vehicles and rolling stock	92	153	—
Furniture, fixtures, office and hotel equipment	46	308	138
	263	461	15,109
NET BOOK VALUE OF FIXED ASSETS	634,915	269,772	59,588
TREE CROPS	—	—	—
LAND CLEARANCE	—	—	—
MINING INVESTIGATIONS AND DEVELOPMENT	—	—	—
GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD	—	13,256	8,683
INVESTMENTS			
Shares in subsidiary company not consolidated	—	—	—
Shares in associated companies	—	—	—
Debentures and secured loans	—	—	—
Building Society advances on mortgage	—	—	—
CURRENT ASSETS			
Stocks, stores and livestock	39,395	6,113	15,668
Growing crops	—	—	—
Work in progress	—	—	—
Debtors and prepayments less provisions	6,490	13	1,796
Cash at banks and in hand	3,268	1,999	—
PRELIMINARY EXPENSES of subsidiary companies	—	—	191
TOTAL ASSETS	684,068	291,153	85,926
INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas	—	—	—
CREDITORS AND ACCRUED CHARGES	66,226	635	8,972

STATEMENT 3

AND SUBSIDIARY COMPANIES

(continued)

CONSOLIDATED BALANCE SHEET AT 31.12.51

Tristan da Cunha Development Co Ltd	CDC Shops	Works	Atlantic Fisheries	British Somaliland Trading Investigation	Gambia Poultry and River Farms
£	£	£	£	£	£
—	6,214	23,823	—	—	—
—	—	—	3,847	—	126,719
—	—	453,128	—	—	—
—	—	—	286,796	—	—
—	—	—	—	—	—
—	2,841	60,879	—	834	—
—	2,514	1,060	—	829	—
—	11,569	538,890	290,643	1,663	126,719
—	130	663	—	—	—
—	—	—	2,526	—	87,698
—	—	99,973	—	—	—
—	—	—	186,796	—	—
—	—	—	—	—	—
—	1,104	17,729	—	278	—
—	289	236	—	120	—
—	1,523	118,601	189,322	398	87,698
—	10,046	420,289	101,321	1,265	39,021
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	3,191	20,793	—	—	—
130,000	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	49,578	132,926	25,923	1,247	13,080
—	—	—	—	—	—
—	—	123,476	—	—	—
—	3,759	44,099	13,474	403	27,436
—	28,343	8,847	4,350	377	23,450
—	—	—	—	—	—
130,000	94,917	750,430	145,068	3,292	102,987
—	—	—	—	—	—
—	9,366	117,992	11,221	26	10,834

COLONIAL DEVELOPMENT CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31.12.51

Year to 31.12.50				
£			£	£
211,219	Loss on Operational Undertakings (per Statement 5)			643,404
7,327 (*Profit*)	Interest Payable (£20,958) less discounts and rebates and sundry income			10,366
65,274	Investigation Expenditure on Projects not Pursued			88,327
	Administrative Expenditure			
280,408	Head Office (including depreciation £9,455) ...		339,510	
138,895	Overseas Offices (including depreciation £14,224)		145,037	
419,303			484,547	
	Less: Allocated to—	£		
	Operational undertakings	77,121		
	Expenditure on development, etc.	98,762		
	Buildings and other assets	24,766		
185,464			200,649	
233,839				283,898
	Remuneration of Members			
4,600	Fees		3,316	
7,912	Salaries		8,500	
				11,816
9,400	Colonial Income Tax			32,232
524,917	Consolidated Operating Loss of the Corporation and Subsidiaries			1,070,043
9,106 (*Profit*)	*Deduct:* Losses, less profits, attributable to the interests of minority shareholders ...			8,203
534,023	Consolidated Operating Loss attributable to the Corporation			1,061,840
9,873	*Add:* Preliminary expenses written off ...		10,871	
76,353	Losses on the realisation of assets of abandoned undertakings (Statement 6)		332,579	
700,000	Provision made by the Corporation for capital losses on undertakings and investments in subsidiaries (Statements 1 and 2)		1,500,000	
				1,843,450
1,320,249	Consolidated Net Loss attributable to the Corporation (Statement 2)			2,905,290
9,875 (*Profit*)	*Deduct:* Corporation's share of net losses, less net profits, carried forward in the accounts of subsidiaries		244,645	
	Add: Provision made by the Corporation for losses of subsidiaries (Statement 1) ...		244,645	
£1,330,124	Loss of the Corporation for the Year carried to Balance Sheet (Statement 1)			£2,905,290

The relevant notes on Statement 7 form part of this Profit and Loss Account.

COLONIAL DEVELOPMENT CORPORATION AND SUBSIDIARY COMPANIES

PROFIT AND LOSS ACCOUNTS OF UNDERTAKINGS—YEAR ENDED 31.12.51

Operational Undertakings	Stocks 1.1.51	Purchases and operating expenses	Supervision and general expenditure	Head Office and Regional office charges	Depreciation, amortisation and amounts written off	Sales	Interest and other income	Stock and work in progress 31.12.51	Profit	Loss
	£	£	£	£	£	£	£	£	£	£
Bahamas Development—Eleuthera	43,209	120,640	21,937	2,463	15,577	87,491	—	66,375	—	49,960
British Guiana Consolidated Goldfields Ltd ...	—	—	—	—	—	—	10,590	—	10,590	—
British Guiana Timbers Ltd	78,328	234,864	23,850	1,920	37,939	213,114	—	108,154	—	55,633
*British Honduras Fruit Co Ltd	—	70,985	11,933	920	20,166	20,459	—	61,509	—	22,036
*Cramer Estates	—	—	5,340	1,750	—	17	—	—	—	7,073
Dominica Grouped Undertaking	113	12,095	13,302	3,303	16,750	7,775	—	175	—	37,613
*Jamaica Cooling Store	—	2,442	3,604	1,288	3,378	6,973	—	—	—	3,739
*Turks Islands Salt Co Ltd	—	—	—	—	—	—	514	—	514	—
Castries Reconstruction Agency	—	—	14,508	2,050	—	—	13,958	—	—	2,600
*Chilanga Cement Ltd	—	65,322	18,520	8,158	43,626	95,807	—	24,492	—	15,327
Kasungu Tobacco Estates	—	29,746	10,634	2,625	8,175	21,371	—	27,880	—	1,929
Vipya Tung Estates (Limpasa Dambo Farm)	12,440	9,399	8,019	678	14,393	8,758	—	20,368	—	15,803
Swaziland Irrigation Scheme	97,538	95,687	21,659	3,183	10,590	77,012	—	139,600	—	12,045
East Africa Industries Ltd	51,246	359,804	96,579	3,200	35,256	542,325	—	40,148	36,388	—
*Seychelles Fisheries	—	25,289	4,405	1,419	5,508	5,969	—	2,750	—	27,902
Tanganyika Roadways Ltd	—	63,286	24,381	3,718	15,191	72,115	—	—	—	34,461
Lake Victoria Hotel Ltd	—	33,998	22,255	1,600	8,745	65,168	80	4,598	3,248	—
Gambia Rice Farm	800	7,548	15,280	2,269	3,626	287	—	2,166	—	27,070
Lagos Executive Development Board	—	—	—	—	—	—	49,500	—	49,500	—
Niger Agricultural Project Ltd...	2,250	26,083	4,066	2,105	10,196	14,312	17,982†	7,446	—	4,960
Omo Sawmills of Nigeria Ltd	18,825	80,025	14,909	1,355	10,623	107,558	—	35,067	16,888	—
*West African Fisheries and Coldstore ...	—	20,172	9,204	3,768	9,496	16,480	—	448	—	25,712
Central Electricity Board	—	—	—	—	—	—	55,029	—	55,029	—
Federal & Colonial Building Society Ltd ...	—	—	10,260	1,888	577	—	31,427	—	18,702	—
Kulai Oil Palm Estate	2,862	38,986	4,720	2,132	8,478	50,518	414	9,365	3,119	—
*Borneo Abaca Ltd	13,043	39,684	20,726	3,263	98,169	55,813	—	2,079	—	116,993
*Kuhara Rubber Estate	—	26,771	1,605	2,540	4,017	—	4,254	34,670	3,991	—
South Atlantic Sealing Co Ltd...	18,452	23,869	4,163	1,775	8,254	26,645	—	6,385	—	23,483
CDC Shops	13,890	93,298	14,663	4,192	965	82,654	—	49,123	4,769	—
Works	3,170	309,791	103,553	6,502	41,595	65,335	—	256,402	—	142,874
*Atlantic Fisheries	—	85,018	27,891	4,544	31,612	21,630	—	1,508	—	125,927
*Gambia Poultry Farm	24,017	64,580	21,948	2,513	8,526	28,422	—	160	—	93,002
	£380,183	£1,939,382	£553,914	£77,121	£471,428	£1,694,008	£183,748	£900,868	£202,738	£846,142
			£3,422,028					£3,422,028		

* Part year only.
† Includes £15,014 recoverable under government guarantee.

Loss £643,404

STATEMENT 6

COLONIAL DEVELOPMENT CORPORATION

LOSSES ON REALISATION OF ABANDONED UNDERTAKINGS

	£	£
GAMBIA POULTRY FARM		
Loss on realisation	532,162	
Less: Provision 1950	450,000	
		82,162
ATLANTIC FISHERIES		
Loss on realisation	87,090	
Provision for further loss	161,127	
		248,217
NYASALAND FISHERIES LTD		2,200
		£332,579

NOTES FORMING PART OF THE ACCOUNTS

(1) Maximum borrowing powers are—

(*a*) £100 millions and

(*b*) £10 millions temporarily by way of overdraft or otherwise.

(2) Assets and liabilities in colonial and foreign currencies have been converted at the rates ruling at 31.12.51.

(3) Corporation has contractual commitments for capital expenditure of £810,000 (for group £2,480,000) and for debentures and partly paid shares of £3,015,000 (for group £2,305,000).

(4) " Freehold and leasehold land, plantations, concessions and buildings " includes expenditure on land, conveyance of which has not yet been completed.

(5) Due to communication delays, the accounts of Kuhara Rubber Estate and Borneo Abaca Ltd were prepared at 15.12.51; Tristan da Cunha Development Co Ltd accounts have not been consolidated.

(6) Terms of long term advances from Colonial Office are given in an official direction of 16.5.51. Advances made during each year ending 31st March are treated as a single advance made on that date and are repayable by annuities for 33 years beginning at the end of 7 years. Particulars of advances made to 31.12.51 and the rates of interest applicable thereto for the period of 40 years are—

Period of Annuity	Rate	£
1.4.55—31.3.88	3%	25,000
1.4.56—31.3.89	3%	925,000
1.4.57—31.3.90	3%	2,185,000
1.4.57—31.3.90	3½%	1,350,000
1.4.58—31.3.91	3½%	8,410,000
1.4.59—31.3.92	3½%	6,050,000
1.4.59—31.3.92	3¾%	2,113,000
		£21,058,000

No provision has been made for interest at 31.12.51

V REPORTS OF UNDERTAKINGS

CARIBBEAN REGION

BAHAMAS

20 Bahamas Development—Andros

(1) (*a*) In 1950 Corporation leased 2,300 acres of fresh water swamp on Andros Island with intent to grow vegetables and other food crops, partly for local sale, mainly for export to USA ;

(*b*) thus Colony's adverse trade balance would be improved by increased export, and its dependence on dollar imports reduced by increasing local food supply ;

(*c*) in June 1951 Andros became an undertaking on its own, separate from Eleuthera.

(2) (*a*) Progress has been slow due to late deliveries of heavy earthmoving equipment ; unprecedented rainfall from May to end October ; persistent shortage of labour ;

(*b*) 500 acres were drained by 31.12.51 ; main road and part of feeder road programme completed ;

(*c*) jetty at Stafford Creek was built and in use by mid-1951 ;

(*d*) headquarters buildings were finished by end February 1952 ; living accommodation almost finished.

(3) (*a*) Planting began in December 1951, three months late ; by end January 525 acres completed, (of which 425 tomatoes, 100 cucumbers) ; 1,400 had been planned for first (winter) season ;

(*b*) tomato and cucumber crops now reaching maturity ; yields likely to be well below estimate ;

(*c*) small-scale trial plots planted in February 1951 indicated that it might be possible successfully to grow a fairly wide range of other vegetable crops.

(4) Marketing arrangements were made with an American firm ; they will sell on commission ; shipping arrangements to Miami are satisfactory for this season.

(5) (*a*) Total assets at 31.12.51 were £276,996 against estimated £352,860 ; this shows the lag on programme ;

(*b*) roads, buildings and other construction have cost £113,356 ; other fixed assets £122,745, about as estimation.

(6) (*a*) 1952 production costs will probably be nearly double original estimates ;

(*b*) market trends indicate crop prices may also be higher than anticipated.

(7) (*a*) The future is still uncertain ;

(*b*) capital expenditure has therefore been slowed down till results of present season's trading are known ;

(*c*) construction of a cannery is also held up.

21 Bahamas Development—Eleuthera

(1) (*a*) In May 1951 Corporation appointed a real estate consultant to re-assess commercial prospects of this 8,800 acres estate acquired in 1950 and to advise on policy ;

(*b*) he considered it advisable for Corporation to try to develop property in partnership with local interests ;

(*c*) negotiations have been protracted for some months.

(2) Decision as to estate ancillary businesses must await conclusion of negotiations ; some of them are being operated in association with local interests ; all as economically as can be.

(3) Operating loss was £49,960 after charging £21,937 for general administration and £15,577 for depreciation.

BRITISH GUIANA

22 British Guiana Consolidated Goldfields Ltd

(1) (*a*) Authorised capital is £499,999 10s in ordinary 2s shares, of which £294,628 10s has been issued ; Corporation holds 878,938 ordinary shares, nominal value £87,893 16s ;

(*b*) in 1948 Corporation agreed to advance £205,371 secured by convertible debenture for a new dredge to work a new area—Lower Potaro ;

(*c*) in 1951, to finance completion of Lower Potaro scheme (involving construction of a new main camp), development of Konawaruk area and a comprehensive prospecting programme, Corporation agreed to take up share capital at par as above, and to subscribe a further debenture loan of £472,742 ;

(*d*) no funds have yet been drawn against this further debenture ;

(*e*) voting rights were given to Corporation for original debenture and these, with ordinary shares held, give voting control ; three directors out of five are Corporation nominees.

(2) (*a*) New dredge should have started in April 1951, but the power plant could not be brought up the Essequibo river till end May owing to abnormally dry weather ; dredging did not begin till August ;

(*b*) this was in a rich pocket, so first recovery was abnormally high ; now there is difficulty in recovering fine gold ; output should average about 1,000 ounces per month in 1952 ;

(*c*) as to power plant, the diesel engines have given trouble and the makers are designing new parts ;

(*d*) new main camp is nearly finished.

(3) (*a*) Prospecting programme has shown further reserves in old Mahdia area ; enough to keep old dredge working for at least another two years ;

(*b*) output from this dredge was lower during year ; it had to work through low grade ground to reach richer deposits ; there were many breakdowns ;

(*c*) in October, after new dredge had been run in, the old one was shut down for a major overhaul, long overdue ; this included completely rebuilding fore end of hull ; dredging was resumed in January 1952 ;

(*d*) a new gas producer for Mahdia power station was installed.

(4) (*a*) Estimated ore reserves at 31.12.51 were:

	cu yds	grains
Upper Mahdia	2,130,000	@ 3.75
Lower Potaro	12,840,000	4.32
Upper Potaro	9,800,000	3.47
Konawaruk	26,000,000	3.08

(*b*) prospecting of areas other than Upper Mahdia began in June ; progress has been slow ; skilled technical staff had to be found ; much time spent in training drill crews ; no results till summer.

(5) (*a*) A new and larger dredge (2m cu yds p a) is to be bought ; it will work low grade deposits of Konawaruk area ; delivery hoped for in time to start dredging in 1954 ;

(*b*) new power plant, transmission lines, camp, road and airstrip will be required ; surveys are in hand.

(6) (*a*) Possibility of installing a hydro-electric station on Tumatumari Falls, to supply power to all three dredges, is being investigated ; low generating costs may more than offset high capital costs ;

(*b*) if decided to proceed with this, present thermal electric plant will be used as stand-by and insurance against drought.

(7) (*a*) Financial year is changed from August/July to January/December ; present financial period is from 1.8.50 to 31.12.51 ;

(*b*) operations during this period produced 14,245 fine oz gold ; profit before tax was £36,911 ;

(*c*) debenture interest received during Corporation's financial year was £7,783 ; dividend received on ordinary shares, directors' and consultancy fees £2,807.

(*d*) Company exercised option under debenture agreement to deposit with Corporation the first repayment of £13,333.

(8) This job seems to have turned the corner ; prospects are good.

23 British Guiana Timbers Ltd

(1) (*a*) Company was incorporated in British Guiana on 2.1.51 in association with Steel Bros & Co Ltd (managing agents) and Booker Bros, McConnell & Co Ltd ;

(*b*) purpose is to help utilise forest resources by introduction of systematic mechanical extraction and erection of a modern sawmill ;

(*c*) principal concession is 450 square miles of the Bartica Triangle held on long lease ; a subsidiary lease of 145 square miles at Manaka has been renewed for two years from 1.1.52 ;

(*d*) Company owns two small sawmills in operation at Stampa Island and La Penitence, Georgetown ; a large new sawmill is being erected on a freehold site at Houston, Georgetown.

(2) (*a*) 6,867 tons of logs were delivered from Bartica and a stock of 11,600 tons built up ;

(*b*) 72 square miles of forest have now been surveyed, mapped and enumerated ; greenheart stand is less than expected ; implications of this are being examined ;

(*c*) progress on buildings and roads is satisfactory ;

(*d*) exploitation by Company at Manaka has been terminated ; concession will be worked through local sub-contractors ; provision has been made against capital loss.

(3) (*a*) Despite delays due to shortage of steel, building of Houston mill has made good progress ; main mill building, sales sheds and ocean-going wharf are nearly completed ;

(*b*) main boilers are promised for August 1952 ;

(*c*) mill should be working by mid-1953 but not at full output till 1954.

(4) 10,647 tons of logs and lumber were sold in 1951 (10,631 in 1950) ; 20 per cent to N America, 30 per cent to UK, 46 per cent locally ; another 3,009 tons (996 in 1950) were supplied for Company's own construction.

(5) (*a*) Losses are to be expected until new Houston mill is operating ;

(*b*) trading loss for 1951 was £55,633 (1950 £52,090), £12,580 more than forecast ; this is mainly due to increased cost of production which could not be passed on in lumber prices ;

(*c*) labour costs continue to rise ; unskilled labour rates by 80 per cent since work was started in 1949.

(6) Demand for export quality greenheart exceeds Colony's capacity to supply ; long term prospects are considered fair.

BRITISH HONDURAS

24 Barton Ramie Estate

(1) (*a*) This is an experiment in growing ramie ; processing will be carried to stage of decorticated ribbons (China grass) ;

(*b*) 2,000 acres were bought in 1950 ; not all was suitable for ramie ; an additional 423 have since been acquired ; 1,500 are to be cleared and planted over three years.

(2) (*a*) Owing to late delivery of equipment and heavy rains 1950 achievement fell behind programme ;

(*b*) but progress in 1951 was good ; 650 acres were cleared and 200 planted as planned ;

(*c*) planting material was obtained from the 25 acre nursery established in 1950.

(3) Samples of decorticated ramie ribbons have received favourable reports from UK firms to whom they were sent for testing.

(4) Investigation is being made into new methods of decortication in the field ; no plant has yet been ordered.

(5) Total assets at 31.12.51 were £96,706 ; fixed assets cost £52,042.

(6) Production in 1952 should be 40 tons of commercial China grass ; this scheme promises well.

25 British Honduras Fruit Co Ltd

(1) (*a*) In 1949 Corporation agreed to form a company with British Honduras Enterprises Ltd to cultivate bananas in Stann Creek district ;

(*b*) in May 1951 Corporation bought out its erstwhile partners.

(2) (*a*) 1951 programme was to complete clearing of 2,000 acres of land suitable for bananas and to bring total area planted to 1,800 acres ;

(*b*) clearing was finished by October 1951 ; but only 747 acres planted in the year ; total planted area was 1,500 acres at 31.12.51 ;

(*c*) labour is adequate but very expensive.

(3) (*a*) There was a serious outbreak of leafspot disease in October 1951 ;

(*b*) control measures have been carried out ; special piping, sprayers and additional tractors had to be shipped ;

(*c*) estimated production to 30.6.52 is 168,000 stems ; earlier estimate was 193,000 ; reduction due to drought and disease.

(4) Jamaica Banana Producers' Association are acting as visiting agents and advisers ; they also ship and distribute.

(5) (*a*) At 31.12.51 27,737 stems had been shipped ; quantities increasing steadily ;

(*b*) shipments are purchased by Ministry of Food.

(6) Income for 1951 from banana sales was £20,459 but costs amounted to £42,495 ; net trading loss £22,036.

(7) (*a*) Present acreage is not economic ;

(*b*) expansion into adjoining areas depends on control of leafspot disease.

(8) The authorities want bananas to be grown in British Honduras ; the Corporation is growing bananas ; small growers may well succeed but whether or not the Corporation—on its scale—can do so commercially remains to be seen.

26 British Honduras Stock Farms

(1) This was a plan for farms for cattle (beef and dairy products), sheep (wool and mutton), pigs, poultry and vegetables.

(2) (*a*) In November Regional Controller concluded that chances of bringing the scheme to successful maturity were low ;

(*b*) he suggested an expert investigation.

(3) (*a*) An independent mission visited the job in February 1952 ;

(*b*) mission recommended immediate abandonment ;

(*c*) in their view stock farming might well be successful when undertaken by local pioneers as sideline to other activities ; but not on such a scale as the Corporation's scheme—much too heavy on overheads.

(4) (*a*) (i) The undertaking was ill-favoured throughout ; changes of management but uniformly unsatisfactory ;

(ii) due to lack of communications between original site of lowland farm and highland ranching area, it was found necessary to change location of former ; here was delay and additional capital expenditure ; and it is now realised that the new block chosen was quite unsuitable ;

(iii) equipment, material and tools were long delayed by dock strikes and shipping troubles early in 1951 ; work at site held up ;

(*b*) 12 houses were completed ; other farm and storage buildings are in various stages of construction ;

(*c*) 628 acres were felled, 28 acres stumped ;

(*d*) 12 miles of extravagant fencing erected, 8 miles of firebreaks finished ;

(*e*) a ferry road had been built and approaches graded ;

(*f*) present herds are: 96 beef cattle, 103 sheep and 15 head of Hope Jersey cattle.

(5) (*a*) Consultations are taking place with Government and local interests as to best use to which existing fixed assets can be put ; surplus equipment will be sold ;

(*b*) total assets at 31.12.51 were £112,915 ; fixed assets cost £64,538 ; development £23,639 ; another £20,000 will have been spent at the finish ;

(*c*) loss will be about £85,000 ; this is included in provision for losses on investments.

27 Cramer Estates

(1) In view of recommendations made in 1948 by Evans Commission, Corporation in 1949 took out options over 12 separate and extensive tracts of land, widely scattered in British Honduras, known as Cramer Estates ; formerly much exploited, now neglected.

(2) (*a*) In May 1950 Corporation exercised these options ; purchase involved protracted legal formalities ; was completed only by 30.11.51 ;

(*b*) 360,000 acres were thus acquired.

(3) (*a*) Recent stereoscopic inspection of aerial photographs has shown a substantial proportion to be suitable for agricultural development ;

(*b*) certain tracts in Stann Creek and Sittee River areas may be required for extension of Corporation's banana and cocoa projects ;

(*c*) parcels of land are being disposed of by sale or by surrender to Government in lieu of land tax ;

(*d*) remainder should yield sufficient revenue from timber and other concessions to cover cost of supervision during next few years.

(4) Total assets at 31.12.51 were £48,786 ; land and other fixed assets cost £47,197 ; £7,073 spent on administration, investigations and land tax has been charged to Profit and Loss Account.

28 Fort George Hotel, Belize

(1) This hotel, construction of which was started in March 1950, is being built on Government urge to meet a mighty need in Colony capital ; site is Crown land held on a 99 years lease.

(2) (*a*) Hotel will not be opened before December 1952, over a year late ; constructional difficulties, particularly with piling and shortages of materials have caused this delay ;

(*b*) original estimates are greatly exceeded due to faulty planning and rise in prime costs ; development expenses will be higher with delay in construction ;

(*c*) a new survey of accommodation needs was made ; it resulted in original 24 double bedrooms being increased to 33—without alteration to basic structure or appreciable extra costs.

(3) (*a*) £105,454 had been spent at 31.12.51 ; of this £81,047 was for land and buildings, £5,580 for equipment and £11,800 on development ;

(*b*) but final cost will be over double what was reckoned ; even with additional accommodation hotel will be over-capitalised ; therefore £75,000 is being written off and has been provided for ;

(*c*) here again—British Honduras required a hotel ; Corporation is building one ; there will be great benefit financial and otherwise to town and Colony ; but none to Corporation.

29 Sittee Cocoa

(1) Plans to develop 500 acres of cocoa and 1,500 acres of bananas on the Sittee River were mentioned in 1949 Report, but, as stated last year, work had not begun owing to difficulties over land. Due to the delay, £16,680 initial expenses were written off last year.

(2) It did begin in 1951 ; first objectives being:

(*a*) to gain knowledge of field management of cocoa under local conditions ;

(*b*) to build up stocks of high yielding strains of planting material ;

(*c*) to recoup some expenditure through quick banana returns.

(3) (*a*) About 40 acres of old derelict cocoa have been rehabilitated :

(*b*) a cocoa nursery has been established ; it can already provide planting material for 20 acres ; will be extended in 1952 to provide for further 100 acres of new cocoa ;

(*c*) rooted cocoa cuttings of high yielding strains were imported and are being multiplied ;

(*d*) 220 acres of land are being cleared ; 20 for cocoa under banana shade ; 200 for bananas alone ; banana planting material comes from British Honduras Fruit Co. Ltd. Corporation's estate at Stann Creek 15 miles away.

(4) Total assets at 31.12.51 were £28,732 ; land, buildings, and equipment cost £8,497 ; development £18,115.

(5) Decision to embark on full scale development at Sittee awaits:

(*a*) results of present efforts to control leafspot disease at Stann Creek ;

(*b*) further investigation of profitability of cocoa in light of expected world prices and of costs of production in British Honduras.

DOMINICA

30 Dominica Grouped Undertaking

(1) This undertaking was to develop:

(*a*) two citrus-banana-coconut plantations ; these were Castle Bruce and Melville Hall ;

(*b*) a citrus grading and packing station to handle entire exportable surplus of island :

(*c*) a hydro-electric scheme, in conjunction with a cold storage and ice-making plant.

(2) (*a*) Castle Bruce estate proved too inaccessible and small for a commercial citrus plantation ;

(*b*) development was therefore stopped in April ; disposal or leasing of estate and buildings is being discussed with Government and others ; meanwhile it is on a care and maintenance basis costing about £200 per annum.

(3) As to Melville Hall:

(*a*) cropping plans were revised in March 1951 ; 330 acres bananas, 345 acres coconuts, 380 acres citrus, to be planted over six years ;

(*b*) programme in 1951 was to clear and plant 100 acres of bananas and 50 acres of coconuts ;

(*c*) 100 acres were cleared but only 60 acres planted with bananas ; 50 acres of coconuts were planted ;

(*d*) at 31.12.51 total area planted was 230 acres bananas, 50 acres coconuts ;

(*e*) banana crop was disappointing ; only 186 tons harvested worth £2,951 ; 1951 estimate was 910 tons worth £14,000 ; shortfall over £11,000 ;

(*f*) reasons were: 1950 plantings were backward, some areas had to be replanted ; yield was poor ;

(*g*) to improve yields plantations will need heavy dressings of fertiliser ; this will add to cultivation costs ;

(*h*) copra production was 83 tons for the year ; estimate was 90 tons ; revenue was £3,246 against £2,700 estimated ;

(*i*) loss in 1951 was £14,219.

(4) (*a*) Citrus grading and packing station opened on 1.10.51 ;

(*b*) business was small ; growers were reluctant to risk their own money by shipping produce on consignment to UK ;

(*c*) only 2,375 cases were packed in the season ; estimate was 30,000 ;

(*d*) revenue was only £177 ; short of estimate by over £2,000 ;

(*e*) loss in 1951 was £8,031 ;

(*f*) other ways of utilising the station are being discussed with Government.

(5) (*a*) As to hydro-electric scheme, there have been costly mistakes and delays on site ; work scheduled for completion by 31.12.51 will not be completed until October 1952 ; it will cost more than originally estimated ;

(*b*) original resident engineer was removed and replacement not found for some months, so there was lack of forward planning ;

(*c*) prices have risen since project was approved in January 1949.

(6) Completion of cold store and ice-making plant was delayed three months by non-delivery of roofing materials, but it is expected to be open for business in March 1952.

(7) On the undertaking as a whole:

(*a*) there was re-organisation in 1951 but further radical changes will be made ;

(*b*) total assets at 31.12.51 were £238,805 ; freehold land cost £19,760 ; buildings and construction at £81,690 ; plant, machinery and vehicles £54,208 ; other fixed assets £5,439 ;

(*c*) total trading loss for year was £37,613 ;

(*d*) it may be necessary to write off considerable sums when revised plans for different sections of this undertaking are put into effect ; provision has been made.

(8) Potential value of some sections of it to economy of island is undoubted, but chance of its ever showing a profit to Corporation is remote.

31 Grand Cayman Cannery

(1) (*a*) Corporation is building and will operate a cannery on Grand Cayman Island to process about 3,000 turtles annually, mainly for soup ;

(*b*) purpose is to develop turtle industry, on which islanders largely depend for livelihood.

(2) (*a*) Under Turtle Industry Regulation Law 1951, Cayman Turtle Association Ltd was established ;

(*b*) there is now an agreement between Corporation and Association to ensure and control supplies ;

(*c*) Corporation has been registered with Jamaica Government as an " approved canner " for 25 years under same law.

(3) Test runs were made in March 1952—delay of three months owing to late deliveries of materials.

(4) Total assets at 31.12.51 were £49,650 ; fixed assets cost £27,242.

(5) Market will have to be developed, but scheme may pay its way.

32 Jamaica Citrus Growers Ltd

(1) This concern was established in 1949 to erect and operate a modern fruit processing factory.

(2) Additional plant is necessary to extend range of products beyond those first contemplated.

(3) In 1951 Corporation agreed to advance up to £110,000 against first debenture repayable over 10 years and carrying interest at 5 per cent.

(4) No funds had been drawn at 31.12.51.

33 Jamaica Cooling Store

(1) (*a*) Corporation has erected and is operating a cooling store in Kingston, Jamaica, to hold citrus and other perishable produce before export ;

(*b*) agreement with Citrus Growers' Association guarantees minimum annual revenue.

(2) Store opened for business on 14.5.51.

(3) (*a*) For trading period of $7\frac{1}{2}$ months a net loss of £3,739 was incurred against an estimated loss of £5,000 ;

(*b*) in spite of damage by hurricane to citrus crop, more business was handled than had been expected, due to increased offerings of other commodities.

(4) (*a*) Plant is operating efficiently and prospects are encouraging ;

(*b*) original expectation was to show a profit in third year's working ; it can still be expected.

34 Turks Islands Salt Co Ltd

(1) (*a*) Company was formed by Turks Islands Government and local salina owners in 1951 to resuscitate salt industry on which inhabitants of island largely depend ;

(*b*) a previous proposal by Jamaica Government that Corporation should take over and re-organise industry was found to be impracticable owing to lack of co-operation by islanders ;

(*c*) Corporation agreed to put up £60,000 at 4½ per cent interest on debenture repayable over 20 years beginning 1.1.55.

(2) £30,000 had been advanced by the end of 1951.

(3) £514 interest to 31.12.51 has been received.

(4) £15,500 represented by assets under original abortive scheme has since been realised.

ST LUCIA

35 Castries Reconstruction Agency

(1) (*a*) Corporation is acting as agent and consultant to Government of St Lucia for the rebuilding of Castries which was destroyed by fire ;

(*b*) value of contract is about £1,250,000.

(2) (*a*) Shortage of steel has retarded construction during 1951 ; at 31.12.51 about 92 per cent of works included in contract had been completed ; probable completion date is March 1953 ;

(*b*) six blocks of flats with shops under are nearing completion and shops in five of these have been occupied temporarily ; all other housing blocks have been finished ;

(*c*) public buildings under construction include police barracks, fire station, government offices and printing works ; roads and services are in an advanced state of progress ;

(3) Fees earned were £32,875 showing a loss of £2,600 until fees chargeable have been revised.

ST VINCENT

36 Hydro-Electric Scheme and Cold Store

(1) Objects are:

(*a*) to construct and operate a power station to generate 550 kw on Colonarie River, near Kingstown, St Vincent, with transmission and distribution system ; space for equipment to augment ouptut by further 275 kw to be provided ;

(*b*) to buy, renovate and extend an ice-making plant and cold store now owned by St Vincent Government ; this will come later.

(2) (*a*) Government had originally intended to carry out this scheme themselves ; they were hampered by lack of capital and of staff ; they asked Corporation to do the job ;

(*b*) Government has granted Corporation franchise for sale of electricity for 80 years, Government having option to purchase undertaking after 30 or 55 years.

(3) (*a*) Scheme should encourage local development ;

(*b*) estimated cost is £200,000 and work should be finished September 1952 ;

(*c*) a small profit is expected after first few years ; this should steadily increase ;

(*d*) if profits much exceed estimates, charges will be reduced.

(4) (*a*) Work has begun on preliminaries ; Government had already ordered plant and equipment ; much has been delivered ;

(*b*) progress has been good in spite of shortage of tools and materials ; bulk of these was ordered in April 1951 and has not yet arrived on site.

(5) Total assets at 31.12.51 were £27,180 ; land and buildings cost £14,330 ; development £3,063.

TRINIDAD

37 Trinidad Cement Ltd

(1) (*a*) Company was formed in association with The Rugby Portland Cement Co Ltd to erect a factory in Trinidad for production of 100,000 tons of cement per annum ;

(*b*) authorised capital is BWI $8,000,000 of which Corporation has so far taken $80,000 in ordinary shares and $960,000 in cumulative redeemable preference shares ;

(*c*) further capital will be called up as erection proceeds.

(2) Corporation's preference shares were taken up in January 1952 ; only investment in the ordinary shares therefore appears in accounts to 31.12.51.

(3) (*a*) A suitable site has been secured and is being cleared ;

(*b*) production is planned to begin in 1954 ;

(*c*) Trinidad Government has extended to Company the provisions of Cement Industry (Development) Ordinance 1951.

(4) This ought to be a sound investment.

FAR EAST

MALAYA & SINGAPORE

38 Central Electricity Board

(1) (*a*) Central Electricity Board is erecting a thermal generator station with an ultimate capacity of 80,000 kw ; in 1949 Corporation agreed to finance first 40,000 kw by a convertible debenture of £3,580,000 at 4 per cent ;

(*b*) in 1951 the Electricity Board applied for additional finance to cover increased costs ; Corporation approved a further investment of £567,950 against debenture at 4½ per cent.

(2) (*a*) £2,240,000 had been advanced by end 1951 ;

(*b*) £55,029 interest was received for year to 31.12.51.

39 Federal & Colonial Building Society Ltd

(1) (*a*) This wholly-owned subsidiary was set up in 1950 to assist in alleviating housing shortage in Singapore and Malaya ;

(*b*) authorised capital is 50,000,000 Straits $1 shares of which 7,750,000 have been issued ;

(*c*) four directors have been nominated by Corporation ; three local residents and Corporation's representative in Singapore.

(2) (*a*) Society's business continues to expand ; in September 1951 additional capital of £958,333 was sanctioned which, when fully drawn, will bring investment to £2,333,333 ;

(*b*) possibility of increasing Society's capital by local subscription is kept in mind.

(3) Comparative results of last two years' working are:

	Applications accepted		Advances outstanding	Mortgage interest received	Net profit/loss before tax
	Number	Amount			
		£	£	£	£
1950 ...	220	472,894	231,734	4,090	1,973 (loss)
1951 ...	613	1,062,401	792,292	28,756	18,702 (profit)

(4) (*a*) 97 per cent of loans are for less than $30,000 (£3,500) ; 62 per cent below $15,000 (£1,750) ;

(*b*) of total advances 80 per cent are to borrowers in Singapore ; most of remainder in Selangor.

(5) (*a*) Advances normally are for up to 75 per cent of Society's valuation ; up to 100 per cent in approved cases where borrower's employer guarantees excess advance supported by deposit ;

(*b*) at 31.12.51 £2,622 had been received as deposits from five employers under this arrangement.

(6) (*a*) Society recently decided to co-operate with an established estate developer and has advanced £116,667 on debenture to Serangoon Garden Estate Ltd who plan to develop, during next three years, an estate of 2,000 houses ;

(*b*) this arrangement is regarded as fulfilling Corporation's intention reported last year, under heading Malayan Housing and Factory Development, to promote a housing estate ; revolving fund of Straits $500,000 (£58,333) then stated as allocated for housing development has now been transferred to factory development (see para 42) ;

(*c*) the Serangoon Company will finance initial stage of ground work and building on site ; Society will help where necessary by making advances to individual house owners in ordinary course of business.

(7) The Society's prospects are considered good.

40 Kulai Oil Palm Estate

(1) (*a*) Rehabilitation of oil palm estate of 1,722 acres bought in 1950 has been completed ;

(*b*) 1,286 acres of mature palms are now in production ;

(*c*) an additional area of 197 acres of stunted palms has been replanted with a high-yielding strain ;

(*d*) 126 acres of reserve land have been felled preparatory to new planting.

(2) (*a*) 1,585 acres of adjoining land were acquired from Johore Government in December—later than hoped ;

(*b*) negotiations are in progress to acquire a further 2,160 acres of private lands also adjoining original estate ;

(*c*) total area will then be 5,467 acres—an economic unit ;

(*d*) adequate nurseries have been established against these extensions ;

(*e*) preparatory work on extension lands has now begun ; whole estate should be producing in 1957, in full production by 1963 ; cost to full development £759,000 was recently approved by Corporation.

(3) (*a*) Repair and replacement of old factory machinery continued during the year ; marked improvement in grade of oil resulted ;

(*b*) palm oil is now sent by tanker lorry to bulking installation in Singapore, there sold to Ministry of Food.

(4) (*a*) Expected production in 1951 was 500 tons of palm oil and 75 tons of kernels based on a rehabilitated and productive area of 1,500 acres ;

(*b*) actual production was 403 tons of oil and 82 tons of kernels ;

(*c*) bad weather affected yields generally in Malaya ; additional reasons for short-fall at Kulai were :

(i) rehabilitation hampered and delayed by bandit activity ; recovery of palms slower than expected ; improved yield not achieved before September ;

(ii) productive area was reduced by decision to replant 197 acres.

(5) (*a*) Guthrie & Co Ltd act as managing agents ; formal agreement is being negotiated ;

(*b*) labour supply in 1951 was adequate ;

(*c*) bandit activity in Kulai neighbourhood is serious ; manager and staff are in continual danger.

(6) (*a*) Sales of palm oil amounted to £45,312, of kernels £5,206 ;

(*b*) average prices secured were £128 and £65 per ton respectively ;

(*c*) profit before tax was £3,119 ; £20,000 was expected.

(7) Kulai is well managed and on the way to being an efficient oil palm estate.

41 Malayan Cocoa Ltd

(1) Harrisons & Crosfield Ltd, Cadbury Bros Ltd and Corporation are associated as equal partners in a company with an authorised capital of Straits $1,000,000 (£116,667) ; $600,000 (£70,000) issued, $300,000 (£35,000) paid up at 31.1.52 ; Harrisons & Crosfield Ltd are managing agents.

(2) (*a*) This is an experimental venture. A lease of approximately 1,200 acres has been granted to Company by Government of Trengganu so that cultivation of cocoa under Malayan conditions may be tested on a commercial scale ;

(*b*) different varieties of cocoa have been planted under varying types of shade, spacing and manurial treatments. Department of Agriculture of Malayan Government is helping in the experimental programme.

(3) (*a*) At time of acquisition area was covered with dense jungle ; in 1950 a nursery was established ; 15 acres were cleared and experimentally planted with cocoa ;

(*b*) by 31.12.51 experimental area planted had increased to 58½ acres with cocoa successfully established ;

(*c*) experiment is proceeding satisfactorily and early results are encouraging.

(4) (*a*) At 31.1.52 Corporation held 20,000 shares of Straits $10 each (£23,333), of which $5 per share (£11,666) had been paid up ;

(*b*) total assets at 31.12.51 were £28,005 ; fixed assets cost £9,574 ; development £17,994.

42 Singapore Factory Development

(1) (*a*) Commercial expansion in Singapore has resulted in a keen demand for industrial buildings but considerable difficulty is experienced in finding suitable sites ;

(*b*) Corporation decided to assist by acquiring a site on which factories will be built for sale or lease.

(2) (*a*) A 53-acre site is being purchased for £79,700 ;

(*b*) negotiations are in progress with three industrial companies for erection of factories for their use, and with a fourth company for resale of five to ten acres on which a factory will be built.

(3) (*a*) As stated in para 39 the £58,333 originally sanctioned for housing estate development has been added to the fund allocated to factory development, making available a revolving fund of £175,000 for this purpose ;

(*b*) all operations are handled by Federal and Colonial Building Society Ltd or by Corporation's local representative ; no additional overhead expenses have been incurred.

(4) Prospects are considered good.

N BORNEO

43 Borneo Abaca Ltd

(1) Corporation was a minority shareholder in a company formed to buy from Custodian of Enemy Property, five ex-Japanese abaca estates in N Borneo ; total 14,000 acres, of which 2,300 acres were in bearing.

(2) (*a*) Association with Hong Kong Transportation Co Ltd, former majority shareholders, has been discontinued ;

(*b*) Corporation has acquired their shares at price determined by arbitrators ; assessed at £595,270 ;

(*c*) appeal by Corporation against award produced no significant reduction.

(3) (*a*) In October Corporation in conjunction with Harrisons & Crosfield Ltd tendered successfully to Custodian of Enemy Property for the Kuhara rubber estate, contiguous with two of the abaca estates (Table and Tiger) ;

(*b*) purchase price of £641,667 included 12,247 acres of mature rubber and 6,000 acres of reserve land ;

(*c*) this estate has been taken over by Borneo Abaca Ltd.

(4) (*a*) A general manager was appointed who assumed control of the abaca estates in April and Kuhara rubber estate in November 1951 ;

(*b*) some new European staff is being recruited ;

(*c*) Harrisons & Crosfield Ltd are managing agents and have also subscribed £50,000 to Company.

(5) (*a*) Abaca estates have required almost total rehabilitation ; bunchy top disease was widespread ; only one estate (Tiger) was in production and on only a small scale ;

(*b*) on two estates (Table and Balung) rehabilitation is now almost completed ; disease under control ;

(*c*) on third estate (Mostyn) work is progressing rapidly ;

(*d*) labour supply permitting 6,000 acres of abaca will be planted at Table, Tiger and Balung estates over next six years ; 1,800 acres of rehabilitated abaca will be maintained at Mostyn ; later oil palms may be developed there ;

(*e*) serious production of manila hemp began in January 1952 ; estimated 1952 crop is about 500 tons ;

(*f*) substantial expenditure is planned in 1952 on decorticators, estate railways and ancillary equipment with a view to large-scale hemp production in subsequent years.

(6) (*a*) On Kuhara rubber estate severe labour shortage limits tapping presently to 7,000 acres ;

(*b*) estimated 1952 crop is nearly four million lbs of which two-thirds has been sold forward in USA ;

(*c*) programme is to replant an average of 600 acres of rubber annually.

(7) (*a*) At 31.12.51 Company's authorised capital was 100,000 Straits $100 shares (£1,166,667) ; share capital issued to Corporation was 11,501 $100 shares (£134,178) fully paid ; Corporation had advanced £844,493 on current account and Harrisons & Crosfield Ltd had advanced £50,000 ;

(*b*) sales of abaca and copra during 1951 realised £55,813 ; trading loss for the year was £116,993 ; there was a small profit (£3,991) at Kuhara ;

(*c*) there should be an overall trading profit in 1952.

EAST AFRICA

KENYA

44 East Africa Industries Ltd

(1) (*a*) Here the Corporation is in partnership with the Kenya Government ;

(*b*) authorised capital is £750,000 in 20s shares ; 450,000 shares have been issued and fully paid ; Corporation's holding is 300,000 shares.

(2) (*a*) Result of the year's trading was satisfactory ;

(*b*) net profit was £36,388 ; £33,487 in 1950 ; again most of it came from the edible oil refining plant ;

(*c*) operation of the sulphuric acid plant showed a loss because it was not worked to capacity owing to lack of raw materials ; it had to be shut down in the last quarter.

(3) (*a*) During the year Corporation agreed to lend the Company £60,000 to finance stockpiling of chemicals, packing materials and stores ;

(*b*) Loan was repaid by 31.3.52.

(4) Uncertainty as to future supply and price of vegetable oil for the hydrogenation plant, on which the undertaking's success at present depends, causes anxiety.

45 East African Ramie Investigation

(1) This is an investigation into the possibility of producing ramie commercially in East Africa ; Corporation to supply imported planting material to farmers for trial and multiplication ; and to import and hire to farmers machinery for decorticating.

(2) (*a*) In January 1951, £15,000 was authorised for purchase of machinery and planting material in USA ; and £1,900 for an investigatory mission to USA and East Africa ;

(*b*) in February 1951 mission visited USA, ordering decorticating machinery and planting material ;

(*c*) in April 1951 mission visited East Africa ; recommended no commercial project before planting experiments and decorticating trials ; trial plots were chosen in favourable areas.

(3) (*a*) In August and November 1951 consignments of American rootstock were planted on small plots in Kenya and in Northern Tanganyika, some under supervision of Departments of Agriculture ;

(*b*) first harvests will be in mid-1952.

(4) American decorticating machinery reached Nairobi in October 1951 ; trials were run using a local variety of ramie.

(5) Total assets at 31.12.51 were £9,847 ; machinery and implements cost £6,254, rootstock £301, development £2,913.

(6) Recasting investigation and limiting it to supervised research plots is under consideration.

46 Macalder-Nyanza Mines Ltd

(1) (*a*) The old Macalder mine in south west Kenya had been worked unsuccessfully as a gold producer ; was on the point of being closed down ; Kenya Government asked the Corporation to salvage it ;

(*b*) the orebody is complex ; carries sulphides of copper, zinc and lead with gold and silver values and some subsidiary constituents such as cobalt.

(2) (*a*) Macalder-Nyanza Mines Ltd was formed by Corporation in 1950 with an authorised capital of £500,000, now fully paid, to develop and bring the mine to production ;

(*b*) Corporation holds 460,000 20s shares ; vendors 40,000.

(3) First phase of work included geophysical and geological survey and diamond drilling ; construction of pilot mill ; rehabilitation of underground workings, buildings and power plant ; this was completed on schedule by mid-1951.

(4) (*a*) Metallurgical test work in pilot mill started on dump ore ; mill throughput was 150 tons per day as planned ; results were satisfactory ; marketable concentrates not only of copper-gold-silver but of zinc and lead were produced ;

(*b*) towards end of year mill changed over to freshly mined sulphide ore ; this necessitated many adjustments in flotation circuits ; metallurgical results on a feed ore rather lower than average grade are satisfactory ; should become better as grade of ore mined is improved and becomes steadied ;

(*c*) extraction of other constituents of orebody such as pyrites and cobalt remains to be studied.

(5) (*a*) Most profitable method of exploiting orebody depends on successful application of hydro-metallurgy ; experimental work on roast-leach extraction of metals is in progress ; results are not yet available ; meanwhile copper concentrates have been marketed ;

(*b*) British Metal Corporation Ltd has been appointed marketing agent.

(6) (*a*) As to mine rehabilitation two shafts have been brought into commission ; stope preparation underground is well advanced ; would have been better but for shortage of underground labour ;

(*b*) labour problem is being met by provision of good housing and social amenities for workers and families and by intensive recruiting.

(7) Best form of power supply is being studied ; relative merits of hydro-electric and diesel power compared ; decision will depend mainly on life of mine ; on known reserves alternatives are pretty evenly balanced ; if reserves are substantially increased the higher capital costs of a hydro-electric scheme may be justified.

(8) (*a*) Results of geophysical survey were inconclusive ; many anomalies were not resolved ;

(*b*) geological survey and diamond drilling continued steadily ; preliminary drilling results were disappointing ; indicated possibility of a shallow limit to orebody ; not much below present deepest level at 400 feet ;

(*c*) at end of year, however, two boreholes intersected ore at depths of 750 and 800 feet ; in January 1952 another intersection was made at 1,050 feet ; these are encouraging results ; may lead to appreciable additions to ore reserves ;

(*d*) underground diamond drilling to explore subsidiary orebodies was successful in indicating their continuity ; resulted in addition to sulphide ore reserves ;

(*e*) secondary ore reserves have not yet been computed ; sulphide ore reserves at 31.12.51 stand at:

		Tons
Proved		748,000
Indicated		130,000
Inferred		50,000
Average grade—copper		2.29%
gold		2.13 dwt per short ton
silver...		1.64 oz per short ton
zinc		2.92%
lead		0.80%

(9) (*a*) The old camp has been rehabilitated ; extensive additions made ;

(*b*) more housing will be needed in 1952 for additional European, Asian and particularly African staff to attract and keep an adequate and contented labour force ; this will involve expansion of original building programme ;

(*c*) health has been good ; accidents few ; attention given to educational and recreational facilities.

(10) (*a*) In addition to purchase of shares in Company—£460,000—at 31.12.51 Corporation had advanced £57,493 on current account ;

(*b*) total assets were £586,491 ; fixed assets cost £196,116 ; investigation and development £159,109 to which has been added £89,050 paid to vendors on previous development ; stock of ore and concentrates on hand was £44,603.

(11) Progress is satisfactory, prospects encouraging ; but further investigation on future operations proceeds.

SEYCHELLES

47 Seychelles Fisheries

(1) Object is to catch fish on extensive banks near the Seychelles and Mauritius, and to supply dried fish to East African market.

(2) (*a*) Shore station on Isle of St Anne is completed ;

(*b*) accommodation for employees on main Island of Mahe is also practically finished.

(3) Two motor fishing vessels purchased and refitted in UK and a large motor vessel used as a carrier between islands and mainland, arrived at the Seychelles in March and April 1951.

(4) (*a*) Fishing began in June but was seriously restricted by mechanical breakdown on one vessel ; this made only four out of the fourteen fishing trips since beginning of fishing season ;

(*b*) both vessels went into Mombasa for annual refit early in 1952.

(5) (*a*) On the trips made catches were much smaller than expected due in part to abnormal weather ;

(*b*) European officers and the type of vessel used—with their refits—have proved far too costly.

(6) (*a*) Production of dry salt fish has been about 110 tons, valued at £6,000, compared with an estimated 640 tons at £33,000 ;

(*b*) a small income was earned by freight and passenger services ;

(*c*) six months' trading has resulted in a loss of £27,902.

(7) (*a*) The original scheme is now proved to have been unworkable ; it will be shut down ;

(*b*) possibility of a modified scheme, using smaller vessels locally manned, is under consideration ;

(*c*) fishing costs would thus be greatly reduced, and there is a market ;

(*d*) if a new scheme materialises, it would make use of the island base and drying installation already constructed ;

(*e*) assets of the original scheme not usable would be sold off ;

(*f*) provision for capital losses has been made.

TANGANYIKA

48 Kitario-Kiabakari Mines Investigation

(1) Corporation obtained free options on two small gold prospects in Musoma area near Kenya border ; intervening ground was covered by two exclusive prospecting licences, making a compact block of about 9 sq miles.

(2) Investigation is being conducted under direction of general manager of Macalder-Nyanza Mines Ltd.

(3) Initial work was concentrated on Kitario prospect ; values from trench sampling were encouraging at and near surface ; diamond drilling showed that they petered out at depth ; that high values at outcrop were due to surface enrichment ; that prospect would be uneconomic as a mine.

(4) (*a*) In July Kitario investigation was abandoned ; total expenditure was £6,645 and has been written off ;

(*b*) although result was disappointing a decisive answer was obtained quickly at low cost.

(5) Attention was then turned to Kiabakari prospect ; progress in initial stages was handicapped by difficulties encountered by drilling contractors with first borehole ; it took three months to complete ; progress with second and third was better ; little trouble was encountered.

(6) Results of trench sampling so far indicate an orebody about 60 feet wide at surface, maybe wider, averaging something less than 4 dwt of gold per ton ; length has not yet been established ; maybe about 1,000 feet.

(7) (*a*) Results of diamond drilling have been disappointing ; first borehole showed values of 2·75 dwts per ton over 115 feet ; second and third gave no values of interest ;

(*b*) interpretation of drilling results is complicated by possibility of faulting, but downward continuation of the orebody is doubtful below 200 feet ;

(*c*) drilling is being accelerated to reach a decision as soon as possible.

(8) Further results will disclose whether investigation should be abandoned ; if they justify continuation it will probably be on basis of opencast or gloryhole mining, which might be economic ; on present information prospect seems unlikely to develop into an economic underground mining proposition.

(9) These investigations are typical of the work which normally has to be done on many prospects before one economic mineral deposit can be established.

(10) Total assets at 31.12.51 were £28,939 ; included £14,965 for plant usable elsewhere if investigation is abandoned ; investigation expenditure including depreciation on plant, was £13,551 ; this is reasonable for information obtained.

49 Murongo Mines Investigation

(1) (*a*) Murongo tinfield is part of a large metalliferous field containing alluvial, eluvial and lode tin deposits and alluvial and eluvial wolfram deposits ; lies west of Lake Victoria in extreme north-west corner of Tanganyika ; extends into Uganda ; is potentially valuable ;

(*b*) alluvial deposits and parts of lodes were being worked on a small scale by a few individual operators using primitive methods ; Tanganyika Government was anxious that field should be investigated by a larger concern with adequate capital and technical resources ; invited Corporation to negotiate with existing owners, take over, prospect and develop ;

(*c*) in March 1951 Corporation acquired five small tin properties—one mining lease of 170 acres and 35 claims totalling 1,219 acres ; was granted a special exclusive prospecting licence over 44 sq miles surrounding the properties purchased.

(2) An eighteen months' programme of investigation and development was started in June.

(3) It is hoped that supply of labour will be sufficient to permit limited production of cassiterite from alluvials during investigation period ; but prospecting and assessment of value of deposits must come first.

(4) During first six months effort was concentrated on :

(*a*) renovating existing buildings and constructing new temporary labour lines, workshops, offices and stores ;

(*b*) an aerial survey of the whole area for production of topographical maps ;

(*c*) geological survey of surface and of some old underground workings ;

(*d*) prospecting alluvial deposits by pitting ;

(*e*) prospecting lode outcrops by trenching ;

(*f*) development of alluvial working places for systematic mining ;

(*g*) rehabilitation and construction of access roads.

(5) Diamond drilling has now begun.

(6) Total assets at 31.12.51 were £109,829 ; fixed assets cost £71,004 ; prospecting and development £18,358.

(7) Progress has been satisfactory despite shortage of labour and serious delay in delivery of equipment due to freight difficulties.

50 Tanganyika Coalfields Investigation

(1) (*a*) In 1949 Tanganyika Government asked Corporation to investigate coal resources of Territory ;

(*b*) in 1950 the whole programme was accelerated at request of Government, so that results would link up with a survey for railway extension ;

(*c*) objective set was to prove 40 million tons of extractable coal by 31.12.51 ;

(*d*) objective was reached in July ; has now been passed.

(2) Surveys involving photogrammetric mapping, geological mapping, diamond drilling and shallow underground workings have been and still are being carried out in coalfields of Ruhuhu basin—Ngaka area of Southern Province and Kitewaka area of Southern Highlands Province.

(3) (*a*) Ngaka area has two separate coalfields, Northern Ngaka and Mbalawala ; coals were laid down under different conditions ; fields are dissimilar geologically and from a mining standpoint ; quality also varies ;

(*b*) it is thought Kitewaka area also has two distinct coalfields ; Mchuchuma in west, Kitewaka proper in east ; no work apart from triangulation and photogrammetry has yet been done on latter.

(4) (*a*) In Northern and Mbalawala fields of Ngaka 150 sq miles have been surveyed ; 65 sq miles geologically mapped ; 21 boreholes totalling 25,147 feet have been completed ; four more were drilling at 31.12.51 ; underground prospecting totals 1,144 feet ;

(*b*) in Mchuchuma field of Kitewaka area 36 sq miles have been surveyed ; 12 sq miles geologically mapped ; six boreholes totalling 5,846 feet have been completed ; two were drilling at 31.12.51 ; underground prospecting totals 326 feet ;

(*c*) 634 analyses—proximate, ultimate and calorific—covering all fields, have been made by officers of Greenwich Fuel Research Station of Department of Scientific and Industrial Research whose help is gratefully acknowledged.

(5) (*a*) Reserves have been computed as at 31.12.51 of extractable tonnage of coal, of a quality suitable for sale as coal ; these are in millions of tons:

	Northern Ngaka	Mbalawala	Mchuchuma	Total
Proved	—	33·8	20	53·8
Indicated	15	13	7·5	35·5

(*b*) no assessment has yet been made of additional tonnage of lower quality coals unsuitable for sale as coal but suitable for power generation ; but this is large ;

(*c*) nor can any attempt be made at this stage to assess total tonnage possibly usable in future in production of petrols and oils by gasification and synthesis processes ; but this is very large ; gross tonnage of coals in area drilled at 31.12.51 exceeds 300 million ;

(*d*) practically no work has been done in that portion of Mbalawala field east of a major fault ; but a scout hole was completed in February 1952 with good results ; there could be a big tonnage of coal in the section of field east of fault.

(6) (*a*) The most significant results have been achieved in Mchuchuma field ; drilling only began there in middle of 1951, and whole potential field has not been covered ; but it is certain that this is the best coalfield yet encountered ; it might become most important in Tanganyika ;

(*b*) Mchuchuma has three seams of comfortable working thicknesses up to 13 feet, with good roof and pavement conditions—the best yet ; most important, coals are of the best quality yet encountered : equal to first grade of African coals.

(7) Weighted averages of analyses are:

	Mchuchuma	Mbalawala	Northern Ngaka
Proximate—			
fixed carbon %	61·0	54·8	57·2
volatile matter %	23·6	25·9	23·2
ash %	13·7	16·1	17·8
moisture %	1·6	3·2	1·8
Ultimate—			
carbon %	76·2	69·7	72·0
hydrogen %	4·1	4·1	3·9
nitrogen %	1·8	1·7	1·7
sulphur %	0·7	1·2	0·5
ash %	12·6	16·5	15·1
oxygen and difference % ...	4·6	6·8	6·8
Calorific value—			
dry basis BTU/lb	13,120	12,159	12,320
Fusion temperature of ash °C—			
mildly reducing	1,230/1,450	1,210/1,500	—
oxidising	1,380/1,500	1,270/1,500	—

(8) Total assets at 31.12.51 were £323,198 ; fixed assets cost £63,976 ; investigation and development £232,844.

(9) (*a*) Investigation has been carried out under difficult conditions within estimated cost and well ahead of schedule ;

(*b*) Corporation has shown faith with work and money ; has found coal ; importance and potential value are undoubted ;

(*c*) logical sequence is a colliery ; but this means a railway to get coal away ; and planned to coincide with colliery construction ;

(*d*) and here is where Corporation looks to Government ; their decision whether or not there shall be coal ;

(*e*) Government railway survey is in progress and decision is expected shortly ; each alternative route to the sea would be 400 miles or more ; meantime at Government's request work on coalfields continues.

51 Tanganyika Roadways Ltd

(1) (*a*) During the year this road transport company's business has been reorganised in an endeavour to place it on a more satisfactory basis ;

(*b*) of Company's authorised capital of 25,000 200s shares (£250,000) 18,977 (£189,770) are issued and fully paid ;

(*c*) 10,000 of these shares (£100,000) were issued to Corporation against advances made and 7,229 (£72,290) have been made over to Corporation by the original shareholders.

(2) (*a*) Unserviceable vehicles have been withdrawn ; new ones ordered in February 1951, but delivered only towards end of year, are now in service ;

(*b*) much has been done to overtake arrears of maintenance ; improved workshop organisation and provision of spares has reduced number of vehicles off the road.

(3) (*a*) Business in Southern and Southern Highlands Provinces proved definitely unprofitable ; depots were closed down ; operations discontinued ;

(*b*) work is now concentrated in Eastern, Tanga and Northern Provinces, the most populated and prosperous areas, where major road improvement schemes are in hand ; licences have been obtained from Kenya Government to work through to Nairobi and Mombasa ;

(*c*) exceptionally heavy rainfall hampered operations during much of the year ;

(*d*) net loss on year's working was £34,461.

(4) (*a*) At 31.12.51 Corporation had financed Company to extent of £174,378—£100,000 for shares, £50,000 on debenture and £24,378 on current account against which a further debenture is being issued ;

(*b*) Company's realisable assets do little more than cover Corporation's debenture and current account advances ; full provision has been made in Corporation's accounts for depreciation of this investment ;

(*c*) Corporation has waived debenture interest and management fee for 1951.

(5) (*a*) This job has remained a worry ; improvement in results over the latter half of year warrants continuance for the present ; 1952 experiences will indicate whether or not concern can be made to pay its way ;

(*b*) repeated representations to Tanganyika Government have not resulted in introduction of a route licensing system.

52 Tanganyika Wattle Estates

(1) This is a scheme to plant 30,000 acres in Njombe district of Tanganyika with wattle ; and to encourage establishment of wattle plantations by Africans with a view to sale of their bark production to a central factory for manufacture of tanning extract.

(2) (*a*) 8,163 acres of mainly open grasslands were cleared of trees and bush in 1951, bringing area cleared to 16,994 acres ;

(*b*) 1,015 acres of 1950 plantation were sown early in 1951, thus completing programme of 3,483 acres ; wattle has grown well and is now up to 10 ft in height ;

(*c*) at 31.12.51 6,975 acres, being full 1951 plantation acreage, had been ploughed ; scanty and patchy rains have seriously interfered with harrowing and sowing ; 5,260 acres were harrowed and 4,615 acres sown by 31.1.52 ; balance will have been completed by early March ;

(*d*) 1,755 acres of wattle intercropped with maize in 1950-51 gave a poor yield of maize and absorbed an excessive proportion of limited labour available ; for 1951-52 maize is being cultivated separately on 400 acres of best land available.

(3) 100 acres of tribal land ploughed for Native Authority in 1950 were successfully sown with wattle and a further 80 acres ploughed for sowing in 1951-52.

(4) 73 miles of new roads were constructed, bringing total to 164 miles ; 116 miles were repaired.

(5) At 31.12.51 buildings complete were 28 European staff quarters, main office, workshop, power-house, garage, central store and club house ; quarters for some 800 Africans, estate offices and stores will be completed early in 1952 ; water supplies have been laid on to all residential areas.

(6) A doctor has been employed since July, 1951 ; health of staff and labour force has been satisfactory ; it is proposed to build a hospital in 1952 in co-operation with Tanganyika Government.

(7) A start has been made on recreational and educational facilities for African employees.

(8) Total assets at 31.12.51 were £328,050 ; buildings and land cost £137,616 ; other fixed assets (mainly transport and agricultural equipment) £65,827 ; development £120,113.

(9) The job is going according to plan ; wattle already planted is growing well.

53 Lake Victoria Hotel Ltd

(1) (*a*) At invitation of Uganda Government Corporation acquired a controlling interest in this hotel from 1.8.50 ;

(*b*) Company has an authorised capital of £150,000 in £1 ordinary shares, of which £144,000 has been issued and is fully paid up ;

(*c*) at outset Corporation held 51 per cent of capital ; present holding is 55.83 per cent ; by agreement with Government this will increase annually to 80 per cent in 1956.

(2) For year to 31.12.51 Company made a profit of £3,248 ; gross receipts were £65,168 against direct expenses of £29,400, salaries and wages £10,072 and general charges £22,448.

(3) (*a*) Passenger traffic through Entebbe airport increased considerably ; to cater for this Government is erecting temporary quarters on a site adjoining the hotel which Company will operate ; a permanent addition to hotel is under consideration ;

(*b*) since October 1951, Company has also managed on behalf of Government a restaurant at the airport.

(4) The hotel serves a useful purpose ; prospects are satisfactory.

CENTRAL AFRICA AND HIGH COMMISSION TERRITORIES

BECHUANALAND

54 Bechuanaland Cattle Ranch

(1) (*a*) This is a large scale cattle ranching scheme in Chobe area of Northern Bechuanaland ;

(*b*) 9,000 sq miles of Crown land have been leased ; will be developed in sections progressively over the years, beginning at Matetsi on Southern Rhodesia border ;

(*c*) 70,000 head of cattle will be established in first five years with agricultural development of 300,000 acres for fodder banks and food crops.

(2) (*a*) Development work in 1951 made a bad start, manager and several senior staff had to be replaced ; much money and effort wasted ; later abnormal rains impeded all work ;

(*b*) cattle purchases had therefore to be slowed down ; at 31.12.51 there were 5,759 instead of 7,000 planned for June 1951 ; these are in good condition ;

(*c*) it is expected to have 30,000 by 30.9.52 ;

(*d*) provision of watering points is ahead of schedule ; 101 bore holes drilled of which 67 are effective (some still to be equipped) ; eight wells sunk.

(3) (*a*) 1951 programme was for 40,000 acres under crops in time for 1952 harvest ; delays in delivery of machinery reduced this estimate to 10,000 acres, but rains stopped ploughing ; at 31.12.51 there were only 5,946 acres planted (chiefly maize and sorghum) ;

(*b*) although this is normally a region of little rain this season's rainfall was abnormally heavy and prolonged ;

(*c*) it waterlogged the ground after planting ; about 1,000 acres failed ; harvest prospects are bad ;

(*d*) so there will be no revenue from surplus grain in 1952 and extra working capital will be needed—largely for purchase of cattle—at least £200,000 ;

(*e*) receipts from sale of cattle will not become substantial for four years ;

(*f*) total assets at 31.12.51 were £614,358 ; fixed assets cost £288,735 ; development £124,917 ; value of livestock £68,678.

55 Lobatsi Abattoir

(1) (*a*) Corporation, having bought buildings at Lobatsi in Southern Bechuanaland, is converting them into an abattoir with cold storage facilities ; this will handle entire output of both African and European cattle owners in Southern, Western and Eastern parts of territory ;

(*b*) 600,000 acres of Molopo Crown lands have been leased as a holding ranch ; this will regulate supplies and allow fattening of immature or impoverished animals prior to slaughter.

(2) Abattoir should have begun operations in July 1952, but outlook for plant deliveries is uncertain ; all depends on boilers and engines.

(3) (*a*) As to holding ranch there were initial delays in defining boundaries and so agreement on leases was held up ; water at first was difficult to find ;

(*b*) workshops and buildings are generally up to schedule ; costs slightly exceed estimate ; completion date is 30.6.52 ;

(*c*) adequate facilities such as boreholes and fencing will be ready by 30.6.52 for cattle stocks planned for that date.

(4) (*a*) Cattle purchase prices have almost doubled since estimates ; but meat prices have risen correspondingly ;

(*b*) to avoid exceeding capital estimates, planned size of herd has been reduced ; supplies for abattoir will be secured by forward arrangements with local cattle owners ;

(*c*) at 31.12.51, 10,472 cattle and 151 calves were on the ranch ; revised plan is for 17,000 by 30.6.52.

(5) (*a*) Abattoir total assets at 31.12.51 were £145,712 ; fixed assets cost £120,303 ; development £11,185 ;

(*b*) holding ranch total assets at 31.12.51 were £256,663 ; fixed assets cost £56,065 ; development £16,224 ; value of livestock £156,678.

N RHODESIA

56 Chilanga Cement Ltd

(1) (*a*) Corporation is associated with the Northern Rhodesia Government in construction and operation of cement works at Chilanga ;

(*b*) during the year original £25 shares were sub-divided into 25 £1 shares and Company's authorised capital increased to £2,000,000 ;

(*c*) issued capital is:

750,000 £1 " A " shares (Corporation),

250,000 £1 " B " shares (Northern Rhodesia Government),

225,000 £1 5 per cent cumulative redeemable preference shares (Corporation),

75,000 £1 5 per cent cumulative redeemable preference shares (Northern Rhodesia Government);

(*d*) this is fully paid up except 75,000 of preference shares held by Corporation on which an initial call of sixpence per share has been paid.

(2) (*a*) First kiln of 55,000 short tons annual capacity was completed in July 1951 and all sections of works in operation 8th September—official opening;

(*b*) during early months normal teething troubles were experienced and dealt with; achievement of full production delayed; but kiln now running satisfactorily; 11,000 short tons cement sold by 31.12.51.

(3) (*a*) Investigation of limestone deposits under Company's control showed them to be adequate for manufacture of 165,000 tons of cement per annum for over 100 years;

(*b*) to meet an increasing demand it was planned to start construction of a second kiln of 110,000 tons annual capacity instead of 55,000 tons as previously contemplated;

(*c*) plant has been ordered; kiln should be in operation by 1954;

(*d*) to meet cost of larger unit an additional subscription of capital has been agreed, of which Corporation's share will be £225,000; a further increase may be necessary in light of continued rising costs.

(4) (*a*) A loss of £15,327 in addition to £4,544 interest on a loan from the Corporation, is shown as at 31.12.51 after charging £21,145 initial expenditure to revenue account;

(*b*) Company is meeting an increasing need for cement in Northern Rhodesia; selling price is based on cost of production plus an agreed percentage on capital invested.

(5) Prospects are considered satisfactory.

NYASALAND

57 Kasungu Tobacco Estates

(1) In 1950 Corporation leased 11,101 acres near Kasungu in Central Province, Nyasaland, in order to produce flue-cured Virginia tobacco.

(2) 4,000 acres are being progressively cleared; 800 acres to be in tobacco each year.

(3) (*a*) In 1950-51 season (December-May) 200 acres were planted;

(*b*) yield was 136,000 lbs—675 lbs per acre against 600 lbs estimated; quality was particularly good.

(4) (*a*) Satisfactory progress has been made for coming season; a further 25 curing barns should be completed in time for harvest, bringing total to 40; seven bulk sheds have been finished;

(*b*) 390 acres have been felled and 355 cleared; total acreage cleared 570;

(*c*) cost of land clearing is down to £9 per acre, against £20 10s last season ;

(*d*) by January 1952 480 acres had been planted, including 200 on second year land ;

(*e*) ten acres of maize and sorghum planted in December 1951 germinated well.

(5) (*a*) Crop income was £21,262 ; average selling price 37½d per lb ;

(*b*) gross profit was £7,896 ;

(*c*) net loss was £1,929.

(6) (*a*) Recent review indicates that £72,000 additional capital would be required to reach full development by 1953, as originally planned ;

(*b*) this is mainly due to need for bigger barns and more water on the job ;

(*c*) earnings, on present performance, could not provide a commercially attractive return ;

(*d*) capital expenditure in 1952 will therefore be limited to what is essential for 800 acres of tobacco ; further construction work will be deferred ;

(*e*) after current harvest (February-May 1952) future prospects will be reviewed against experience of two seasons' trading.

58 Vipya Tung Estates

(including Limpasa Dambo Farm)

(1) (*a*) In 1948 Corporation took over Nyasaland Government's experimental tung station together with about 500 acres of established tung in Vipya highlands ; intention was progressive development of up to 20,000 acres of tung ;

(*b*) in 1949 a farm was established in Limpasa Dambo to grow food, mainly rice, for employees on adjacent tung estates and to contribute to Government's food production programme ;

(*c*) Vipya Tung Estates and Limpasa Dambo Farm are now operated as one undertaking.

(2) (*a*) As to tung estates, after an unsatisfactory start in first two years, land clearing and tung planting made better progress in 1951 ;

(*b*) cumulative achievements to 31.12.51 were (in acres) ring barked 6,116 ; cleared 1,806 ; planted to tung 1,774 ; contour bunded 1,695 ;

(*c*) due to improved technique and labour effort cost of clearing per acre is now less than it was ;

(*d*) but labour shortage, though less acute, still causes anxiety ;

(*e*) trial harvesting of nuts from 482 acres in bearing yielded 7,275 lb of seed.

(3) Delay in delivery and shipping of caterpillar tractors will restrict clearing in 1952 below estimate (1,500 acres).

(4) Construction has been concentrated chiefly on completion of temporary housing and services ; permanent building has been deferred wherever possible.

(5) Total assets at 31.12.51 on tung estates were £459,685 ; fixed assets cost £260,925 (£170,448 building and construction ; £44,613 plant and equipment ; £29,907 motor vehicles) ; development £194,362.

(6) (*a*) Whole undertaking was exhaustively reviewed during year ; completely new estimates prepared ;

(*b*) these show that nearly £3½ million would be needed to carry scheme to full development under original plan ;

(*c*) so Corporation has decided for the present to concentrate on a scheme limited to some 6,000 acres of tung, which might be undertaken within the £1,410,000 capital already approved ;

(*d*) on this reduced acreage overheads will inevitably be disproportionately high ;

(*e*) but experience and success of the restricted scheme will decide prospects of long term development to full 20,000 acres.

(7) After long search a general manager was appointed in January 1952.

(8) (*a*) On Limpasa Dambo Farm there has been another crop failure, for third year running ;

(*b*) in spite of full track equipment, mechanised cultivation under swamp conditions on dambo land has not been successful ;

(*c*) in 1950-51 owing to continuous heavy rains only 200 acres could be sown instead of 500 acres planned for 1951 harvest ;

(*d*) crop of padi was only 150 tons ;

(*e*) in 1951-52 season it was planned to grow 2,000 acres ; 1,500 acres had been prepared by end September but again there were heavy rains and uncontrolled flooding ; only 800 acres were sown ; 350 acres are poor and dirty ; 90 acres failed entirely ; remaining 360 acres may yield only 250 tons of padi ;

(*f*) loss for 1951 was £15,803 ; cumulative trading loss to 31.12.51 was £21,424.

(9) (*a*) Total assets at 31.12.51 were £144,464 ; fixed assets cost £106,962 ; development £21,530 ;

(*b*) mechanised production of staple cereals with European skilled staff and attendant overheads generally unprofitable in Nyasaland ;

(*c*) certainly no prospect of this dambo producing rice profitably and provision for capital loss has been made ;

(*d*) whole concept is being reviewed ; area farmed by Corporation will be drastically reduced ; some land may be farmed by tenants in partnership with Corporation.

SWAZILAND

59 Swaziland Irrigation Scheme

(1) (*a*) In 1950 Corporation bought an estate of 105,000 acres in north-east Swaziland, together with valuable water rights ;

(*b*) plan is to devote part of area to irrigation, part to raingrown crops and part to ranching.

(2) (*a*) A further survey of irrigation headworks and of alternative alignments for main canal indicated costs far higher than first estimated ;

(*b*) a shorter alignment is now being surveyed ;

(*c*) two irrigation experts will presently visit undertaking with Consulting Engineer retained by Corporation, to advise on ultimate cost.

(3) In 1951 234 acres have been under gravity irrigation at Homestead ; 250 acres under pumped irrigation at Border Gate ; a small pumped irrigation scheme was constructed at Tunzini and 462 acres put under cultivation ; a further scheme of 1-2,000 acres irrigated by pumps is being investigated.

(4) (*a*) At 31.12.51 11,611 acres had been felled ; of which 2,841 were cleared and ploughed ;

(*b*) winter crops (April-September 1951) were disappointing, expenses higher than anticipated ;

(*c*) in summer season (October 1951-March 1952) 1,000 acres of irrigated crops were grown, mostly rice and hibiscus cannabinus (jute substitute) ; also 2,200 acres of raingrown crops (of which 300 acres were cotton) ;

(*d*) harvest results are not yet available ;

(*e*) from last season's experience rice promises to be a profitable crop ; hibiscus cannabinus also looks promising ;

(*f*) field trials of other crops are being carried out ; including maize, popcorn, sorghum, soya beans, ground nuts, tobacco.

(5) (*a*) At 31.12.51 livestock were : 7,235 cattle, 668 pigs, 32 sheep ;

(*b*) stock has suffered from continued drought (November-January) which affected grazing and water holes.

(6) (*a*) Building work fell slightly behind schedule owing to shortage of cement ;

(*b*) water supplies from boreholes caused anxiety owing to drought ; a pipeline is being laid from Komati River to supply domestic needs at headquarters ; estimated cost £12,000.

(7) (*a*) Total assets at 31.12.51 were £1,122,568 ; land and water rights cost £374,778 ; buildings and constructions £194,235 ; equipment £217,294 ;

(*b*) development expenditure cost £149,718 ; biggest items are £58,751 for clearing and preparation of land ; £43,675 for bunds and fences ; £33,913 for engineering surveys and design ;

(*c*) crops revenue was £44,671 (of which rice £20,590) ; livestock fetched £32,341 ;

(*d*) net loss in 1951 was £12,045 ; cumulative loss at 31.12.51 was £39,926.

(8) (*a*) Due to uncertain rainfall and periodic drought prospects for raingrown crops are uncertain ;

(*b*) future depends on whether irrigation can be provided at economic cost.

60 Usutu Forests

(1) (*a*) Corporation owns 108,411 acres (170 square miles) of high grasslands on either side of the Great Usutu valley ;

(*b*) it is planned to afforest with pines within six years ; some 80 per cent is plantable ; balance will be made up of roads, firebelts and a farm for raising food crops.

(2) (*a*) Work began in December 1949 ; trees of first season's planting are now well established ;

(*b*) for 1951-52 season ten million seedlings were raised in 16 nurseries ; 11,341 acres prepared ready for planting against 10,000 planned ;

(*c*) despite prolonged drought, area planted this season (November-April) has exceeded plan, making total to date of 17,900 acres ;

(*d*) species being planted are pinus patula, pinus caribaea, pinus taeda and pinus pseudostrobus.

(3) (*a*) Building is behind schedule ; delay is due mainly to scarcity of materials ; but this is not retarding development ;

(*b*) building costs have risen by about 33 per cent since estimates were made in 1949 ; they will be exceeded though economies are being made in designs ;

(*c*) 54 miles of main estate roads have been constructed in two years ;

(*d*) a 180-foot road bridge over Great Usutu river was completed in five months.

(4) (*a*) Corporation is also participating in Malkerns irrigation scheme launched by Usutu landowners and Swaziland Administration ;

(*b*) canal is to be completed in 1952 ; area commanded is 8,000 acres of which 1,200 is Corporation property (Usutu Orchards) ;

(*c*) because of participation in this scheme more extensive farm buildings have been built than originally intended.

(5) (*a*) Total assets at 31.12.51 were £671,071 ; land cost £255,393, buildings and roads £138,181, other fixed assets £88,525 ;

(*b*) development expenditure cost £149,047 after off-setting £9,626 revenue from grazing rents and sale of produce ;

(*c*) revenue from Usutu Orchards has been below expectation due to two successive years of drought ;

(*d*) development proceeds according to plan and within overall financial estimates.

(6) This is a long term venture reaching maturity over the years. Corporation already has an appreciating asset ; land value is rising as development proceeds ; all signs are of a successful undertaking based on sound initial planning implemented by good management on the ground.

WEST AFRICA

THE GAMBIA

61 Gambia Rice Farm

(1) (*a*) Original scheme was for mechanical cultivation of wet padi and dry land crops ; first stage to command 10,800 acres under irrigation on Pachari and Wallikunda swamp, giving 7,200 acres of rice ;

(*b*) later decision restricted development to Wallikunda only, with commanded area of 4,250 acres providing 3,420 acres of cultivable land.

(2) (*a*) During 1951 it became apparent that capitalisation even for the restricted scheme would be so high (£630,000) as to make a commercial return unlikely if not impossible of achievement ;

(*b*) an independent expert mission was sent to the Gambia in February 1952 to review scheme and to make recommendations as to future development in area.

(3) (*a*) Engineering work is a year behind schedule due to ineffective control aggravated by transport breakdowns ; to delay in supply of steel and of pumping equipment, and to the need to redesign ;

(*b*) little or no water control has yet been possible on any appreciable area.

(4) (*a*) Despite this, 137 acres of rice were planted in season and 90 acres of guinea corn, 15 acres of maize ;

(*b*) exceptionally heavy and late rains made harvesting of rice very difficult ; yield of rice was only about 40 tons, 25 acres were totally lost ; a few patches of rice which escaped flooding gave good yields ;

(*c*) both guinea corn and maize crops were lost.

(5) (*a*) Total assets at 31.12.51 were £349,240 ; buildings, construction, and engineering work cost £290,506 ; agricultural machinery £20,139 ; other fixed assets £7,866 ; development £12,623 ;

(*b*) cumulative trading loss was £34,914, of which £27,902 occurred this year ;

(*c*) substantial provision has been made for writing down the cost of this undertaking.

(6) Mission, while highly critical of the costs—which are being investigated—has recommended continuing undertaking but starting with only 200 acres and expanding gradually as experience is acquired and results justify ; expenses would exceed revenue for some years.

62 Yundum Farm

(1) (*a*) Corporation and Gambia Government agreed to operate this experimental farm for five years from 1.1.52 on 400 acres of land previously part of the Gambia Poultry Farm ;

(*b*) it is a sort of salvage operation, to retrieve something from the Poultry Farm disaster.

(2) (*a*) Corporation pays £1,250 towards Manager's salary ; other costs will be shared equally over agreed period—about £5,000 each partner per annum ;

(*b*) Gambia Director of Agriculture will be administratively in charge ;

(*c*) a farm manager has been appointed.

(3) All existing leases for land between Native Authority and Corporation, on behalf of Poultry Farm, are to be terminated ; Government will lease land required for farm from Native Authority.

(4) All ex-Poultry Farm buildings except those needed for Yundum farm have been taken over at agreed valuation by Government.

(5) No funds had been advanced at 31.12.51.

NIGERIA

63 Apapa Site, Lagos

(1) A site is being developed on a waterside front at Apapa primarily to provide facilities for Omo Sawmills and West African Fisheries (paras 67-68).

(2) This development is run separately simply to provide unified planning and construction.

(3) A start has been made.

64 Lagos Executive Development Board

(1) (*a*) Lagos Executive Development Board, a statutory body set up by Nigerian Government, controls 1,004 acres adjacent to Apapa Wharf, Lagos ; 750 acres are being developed, Board providing roads and drains ;

(*b*) improved land will be let for industrial, business or residential purposes, areas reserved for schools, cinemas, open spaces and other amenities.

(2) (*a*) Corporation agreed to lend £1,250,000 to Development Board ; £800,000 was advanced in 1950 and balance in 1951 ;

(*b*) Corporation and Board equally can retire or refund loan at end of ten, twenty or thirty years ; otherwise it is repayable from tenth year by 30 equal annual instalments of principal and interest at 4½ per cent per annum, payments guaranteed by Nigerian Government.

(3) £49,499 interest was received for year to 31.12.51.

65 Niger Agricultural Project Ltd

(1) (*a*) This is a scheme for development of 65,000 acres as peasant settlement near Mokwa, Northern Nigeria ;

(*b*) plan is to settle ten villages of about 80 farms each, 48 acres per farm.

(2) Management and provision of common services are with operating company in which Nigerian Government and Corporation are equal partners ; authorised capital £450,000.

(3) During 1951 capital development was slowed down ; progress purposely restricted to the rate at which work could be done thoroughly and economically.

(4) (*a*) As to land clearance, removal of large trees and ant hills gave considerable difficulty, ground had to be gone over, removing stumps ; steam ploughing sets have failed to grub up roots satisfactorily ; additional tractors will be needed ;

(*b*) 2,027 acres cleared in 1951 ; less than in 1950, but clearance kept ahead of ploughing and planting ;

(*c*) to 31.1.52, 6,960 acres cleared since start of operations ; average cost £12 8s per acre ;

(*d*) 159 miles of roads completed, two old wells have been cleaned, five new wells sunk.

(5) (*a*) Agricultural programme is still experimental ;

(*b*) fallow period in crop rotation has been doubled by increasing each holding from 36 to 48 acres, of which 24 acres under crop, balance left fallow ;

(*c*) demonstration farm of 960 acres is experimenting to find best crops, rotations, cultivations, techniques.

(6) (*a*) First village Ndayako, was settled in 1951 with 78 farmers and families ;

(*b*) settlers planted over 1,800 acres, chiefly to ground nuts and bambarra nuts with small areas of guinea corn, beans and cotton ;

(*c*) yields showed wide variation depending on work put in by individual farmers ; good farmers had satisfactory yields, particularly of ground nuts and guinea corn ; poor farmers got little or nothing ;

(*d*) average yields were much less than expected ; with resulting loss not only to settlers but to Company ;

(*e*) final sale value of crops was about £6,000 (of which one-third settlers, two-thirds Company's share) ;

(*f*) cost of agricultural operations in the year was £26,853 ; very high in relation to crop value.

(7) Provisional cropping programme for 1952 is 900 acres each of ground nuts, bambarra nuts, guinea corn and other crops.

(8) (*a*) Net trading loss for year was £22,942 ; cumulative loss £39,721 ; exceeding estimate of net loss over first seven years (£31,793) against which Government have indemnified Company ;

(*b*) it was anticipated Company would incur losses at least until end 1951 ; now seen they will continue some considerable time and anyhow until average yields are increased above level of best holdings in 1951 and production costs can be reduced through greater efficiency of Company and tenants ;

(*c*) confidence of settlers and their co-operation in scheme is being built up ; increasing numbers of applications will permit more careful selection of farmers in future ;

(*d*) social and political progress has been satisfactory but it will be more difficult than originally expected to make a scheme of this kind pay.

(9) At 31.12.51 Corporation held 137,500 shares at £1 each ; of which 100,000 were fully paid and 37,500 paid up to 10s per share ; interest at 3 per cent guaranteed to Corporation by Nigerian Government has been credited.

66 Nigerian Fibre Industries

(1) Drastic alterations are being made to original plans for erection of twin factories for sack-making and cotton-spinning at Onitsha in association with Nigerian Cotton and Cocoa Marketing Boards.

(2) (*a*) Rising prices of Indian and Pakistan jute made it clear that jute factory would run at a loss on imported raw material ;

(*b*) it was found that capital costs of both factories had been considerably underestimated.

(3) (*a*) After consultation with Cotton and Cocoa Boards, an expert independent mission was sent to make a comprehensive investigation of costs, markets and profitability of both schemes ;

(*b*) its recommendations were categoric ; sack factory scheme had to be replanned, cotton-spinning project dropped.

(4) (*a*) A consultant was engaged for sack factory project and he visited Nigeria in March 1952 ; his report is being examined.

(*b*) meanwhile Nigerian Government, through Northern Regional Production Development Board, is starting a fibre production drive ; sowings are to begin this year.

(5) (*a*) In place of cotton-spinning scheme a combined cotton-spinning and weaving project is being considered as suggested by mission ;

(*b*) if it is decided to proceed, this will be a separate scheme, possibly on another site, and in association with commercial partners in addition to Marketing Boards.

(6) Total assets at 31.12.51 were £101,504 ; fixed assets for the sack factory cost £40,124 ; development £58,482.

67 Omo Sawmills of Nigeria Ltd

(1) (*a*) This Company was formed—in association with William Mallinson & Sons Ltd ; a group of African timber interests headed by Hon. T. A. Odutola ; and A. Norman Rushforth Ltd—to exploit as a single unit three separate forest concessions in Omo and Oshun Forest Reserves in Ijebu Province, supplying a central sawmill ; concession area is 429 sq miles and Company is entitled to cut one quarter of this area in 25 years ;

(*b*) Company also controls smaller concessions in Ilaro area, which have been extended to end 1952 ;

(*c*) principal merchantable species in Omo concession are mahogany, opepe and white afara ; in Ilaro area mahogany and obeche.

(2) Corporation originally held 50·4 per cent of the shares ; one shareholder sold out ; Corporation and other shareholders exercised their right to buy shares ; Corporation's holding is now 57·2 per cent.

(3) (*a*) Enumeration surveys in main concession now cover 10½ sq miles ; extraction road system has been extended ;

(*b*) most of new sawmill plant (input capacity 600,000 cu ft) has been delivered ; diesel-electric power plant will not be ready for shipment before June 1952 ;

(*c*) construction of mill buildings began late in 1951, mill should be in operation by end 1952 ; housing, workshop facilities, garages and stores are all going up ;

(*d*) a small temporary sawmill operated throughout the year, producing lumber for building programme and latterly for sale ;

(*e*) at Apapa (Lagos) log beach a crane track has been built, and a 10-ton steam crane assembled to facilitate handling of log exports ;

(*f*) construction of an office block should be completed by March 1952 ;

(*g*) no start yet on construction of jetty or on reclamation of low-lying ground on site.

(4) Pending completion of sawmill, logs are being produced for export and local sales ; 1951 sales amounted to £107,558 (£59,738 for seven months in 1950) ; UK is largest market ; 9 per cent by value went to USA.

(5) (*a*) Net profit for year was £16,888 (£12,530 for seven months in 1950) ; £20,000 had been expected but prices fell sharply ;

(*b*) trading results for 1952 will depend largely on improvement in UK hardwood market.

(6) Production manager has been replaced and staff strengthened in preparation for increased output in last half of 1952 ; prospects are favourable.

68 West African Fisheries and Cold Store

(1) Object here was to operate deep-sea fishing vesels in West African water with bases at Lagos and Port Harcourt for sale of fish, ice and cold storage space.

(2) Two steam trawlers arrived off Nigeria on 11.4.51.

(3) (*a*) At Lagos construction of cold store was begun but delayed deliveries of materials, particularly steel, put completion back to June 1952 ;

(*b*) staff accommodation at Lagos was finished in December 1951 ;

(*c*) at Port Harcourt completed cold store and ice plant began operating on 15.10.51 nearly a year late, mainly because of slow deliveries ; capital cost was over £57,000 against £22,170 estimated.

(4) (*a*) Exploratory fishing began in June 1951 both trawlers being based on Port Harcourt ;

(*b*) grounds off Port Harcourt provided very little ;

(*c*) grounds off Lagos proved to be well stocked but involved four unproductive days steaming each trip ;

(*d*) turnround is four days instead of two estimated ;

(*e*) tonnage of fish landed has therefore been very low ; and condition not always good because of difficulties in handling and in ships' refrigeration.

(5) Catches have sold well.

(6) But too much money and too little fish have resulted in a trading loss of £25,712 to 31.12.51.

(7) (*a*) Corporation has asked that Government fishing research vessel should assist in further exploration of fishing grounds ;

(*b*) until these have been found nearer Port Harcourt, activities there will be suspended and shore installation held on care and maintenance ; the vessels concentrated on Lagos by June 1952 to test profitability of that market ;

(*c*) this project is unlikely to pay unless landings increase and fetch better prices ; due provision has been made for possible loss.

FALKLAND ISLANDS

69 Falkland Islands Freezer

(1) (*a*) Economy of the Falkland Islands depends largely on sheep farming ; at present wool, skins and tallow are exported ;

(*b*) an abattoir and freezer were planned by Corporation at Government request so that surplus sheep and cattle carcases could be exported as meat and earn additional revenue ;

(*c*) opportunities for development in the Islands are limited ; scheme is therefore of special importance.

(2) Freezer should have been finished early in 1951 but has been delayed by:

(*a*) management difficulties ; four successive construction managers have quit or been dismissed ;

(*b*) labour: local labour is inadequate ; has to be augmented by recruitment from UK which is expensive and frequently unsatisfactory under conditions prevailing ;

(*c*) communications: the remoteness of these islands has meant difficulty and delay in delivery of building materials, plant and equipment and in movement of personnel.

(3) Mostly for same reasons costs have far exceeded estimates ; a revision of estimates during year indicated that final capitalisation might be about £450,000 ; may be more.

(4) At present rate of progress, job should be finished early in 1953.

(5) (*a*) Total assets at 31.12.51 were £291,153 ; building and construction cost £226,172 ; plant and equipment £38,797 ; development £13,256 ;

(*b*) the heavy over-expenditure on this job has vitiated its commercial prospects which were always marginal ; provision has been made for writing off a substantial portion of capital expended ;

(*c*) if it were not for its importance to Colony, Corporation might have abandoned this scheme ; as it is Corporation is looking for partners and managers with local experience.

70 South Atlantic Sealing Co Ltd

(1) (*a*) This Company wholly owned by Corporation was formed to re-establish a sealing industry in the Falkland Islands ;

(*b*) factory based at Albemarle Bay handles carcases taken by Company's two vessels, of 85 and 163 tons gross.

(2) (*a*) Production has been hampered by delayed deliveries of essential machinery, some of which is more than a year overdue ;

(*b*) acute shortage of local labour brought all operations to a standstill in October 1951 ;

(*c*) so sea-elephant season was missed entirely ;

(*d*) production of seal oil in 1951 was only 65 tons compared with 177 tons last season.

(3) Solution of labour problem is being sought by recruitment of Shetland Islanders and others from UK.

(4) (*a*) Shipping presents problems still to be solved ; shipment in drums, as intended, is now quite uneconomic due to greatly increased cost of drums and inward and outward freight ;

(*b*) possibilities of shipment in bulk are being investigated ;

(*c*) meanwhile a stock of oil will be allowed to accumulate.

(5) (*a*) Trading loss for year to 31.12.51 was £23,483 ; cumulative trading loss £28,872 ;

(*b*) a revised estimate of production is 450 tons of oil in 1952 rising to 650 tons in 1953 ; till then Company cannot earn a profit ; and unless achieved continuation will not be justified.

TRISTAN DA CUNHA

71 Tristan da Cunha Development Co Ltd

(1) (*a*) This Company, formed by South African interests in 1948, operates an exclusive licence to fish the natural resources of the Tristan group of islands.

(*b*) terms of licence require Company to provide certain facilities and amenities for islanders and to make contribution by way of taxes ;

(*c*) (i) in July 1950 Corporation agreed to participate and subscribed 52 per cent of Company's share capital ;

(ii) two out of nine directors are Corporation nominees.

(2) (*a*) Company operates two motor vessels (628 and 180 tons gross) ; both are equipped for deep freezing crawfish catches and act as mother ships to fishing dories ;

(*b*) a cannery has been established ashore to process part of the catch ;

(*c*) combined production of both vessels and canned products are carried to Cape Town by the larger ship.

(3) (*a*) She arrived in Cape Town in September ; first fishing voyage realised £25,000 worth of crawfish ; vessel was later detained in Cape Town for repair of main crank shaft ;

(*b*) the other vessel is retained in island waters ; her capacity proved too small for ferry purposes ; she, too, had to return to Cape Town with stern tube and shaft trouble ;

(*c*) difficulty in securing labour coupled with unprecedented bad weather and engine trouble resulted in much less fishing effort than had been expected in first half of season.

(4) (*a*) (i) Output for year ending 31.3.52 was low ; frozen tails 20,900 cases ; canned rock lobster 423 experimental cases, of which 144 rejected for export as under-processed ;

(ii) but results in early months of 1952 have been satisfactory ;

(*b*) costs afloat and ashore proved higher than anticipated.

(5) (*a*) Though products sold at good prices, sales turnover was low due to restricted output ;

(*b*) audited accounts are not yet available, and are therefore not consolidated ;

(*c*) annual loss for 1951 is estimated at £22,500 making a cumulative trading loss of £59,000. Provision has been made for depreciation of this investment.

(6) Company has decided :

(*a*) to suspend further canning operations and concentrate in 1952 wholly on quick freezing of crawfish ; a minimum of 20,000 cases per annum must be secured to meet outgoings ;

(*b*) to seek relief from obligations on Company imposed by terms of its licence to operate.

(7) A new manager has been appointed on the island ; under his influence labour relationships with the islanders, which had been bad, appear now to be improving.

(8) A detailed report from Company is on the way.

SERVICES

72 CDC Shops

(1) Corporation continues to operate shops in areas where they are essential to attract and maintain an adequate labour force.

(2) (*a*) In Nyasaland the Vipya Trading Co has been set up and has eight shops, seven serving Vipya Tung Estates and one Kasungu Tobacco Estates ;

(*b*) these shops made a net profit during the year of £4,032 on a sales turnover of £44,836.

(3) (*a*) In Swaziland the Delcor Trading Co operates three shops for Swaziland Irrigation Scheme and one for Usutu Forests ; a second for Usutu Forests is to be opened shortly ;

(*b*) these shops made a net profit during the year of £514 on a sales turnover of £37,595.

(4) In November 1951 a shop was opened on Bechuanaland Cattle Ranch.

(5) (*a*) In June 1951 an office was opened in Johannesburg as a central purchasing agency ;

(*b*) between June and November this office ordered approximately £33,000 worth of goods on behalf of the trading companies—practically all from South African suppliers ;

(*c*) till February 1952 when Regional Controller (Central Africa) became responsible for shops organisation, management was conducted from Johannesburg Office.

(6) (*a*) The scheme meets a clear need ;

(*b*) 1951 trading results are encouraging and a further increase of turnover is expected in 1952.

73 Works Division

(1) Works Division's responsibilities are :

(*a*) supplying stores and equipment for undertakings ;

(*b*) carrying out building and civil engineering work for Corporation, either through contractors or direct ;

(*c*) trading as contractors in special circumstances to Colonial Governments and others where adequate private enterprise contractors' organisations not available or interested.

(2) (*a*) Headquarters organisation covers supply, design and general control of construction work ; was reviewed by an outside expert in the spring ; reorganisation greatly reduced ; Colonial Development Corporation (Engineering) Ltd was absorbed in Works Division ;

(*b*) overseas there are Regional Engineers, under Regional Controllers, in Caribbean and West Africa, and depots at Nkata Bay (Nyasaland), Kano, Lagos and Belize ; other contracts are directed from London.

(3) (*a*) During year £381,400 of work was done for Corporation undertakings ; cost including supervision and overheads is charged directly to undertakings ; items were Gambia Rice irrigation works £183,600, Fort George Hotel Belize £60,200, Falkland Islands Freezer £137,600 ;

(*b*) a further £600,000 carried out by other contractors was supervised technically.

(4) (*a*) Work done for outside parties in 1951 was worth £140,000 of which £107,000 (including £74,500 work in progress) in Nigeria and £33,000 in Nyasaland ; this was insufficient to enable depots to be run economically ;

(*b*) result was a loss of £142,874—£87,813 in Nyasaland ; Nyasaland depot is being closed ;

(*c*) prospects are better in Nigeria where contracts valued £1,200,000 are now in hand ; main difficulty is arranging a continuous programme.

(5) (*a*) Depot at Eynsham (Oxfordshire) was established to carry stocks of materials in regular demand but short supply ; depot has been reorganised and stocks and staff reduced ;

(*b*) stocks in hand 31.12.51 were £255,953.

(6) (*a*) Considerable capital has been invested in expectation of work which has not come ; net book value of Works Division assets (excluding Eynsham) at 31.12.51 was £750,430 ;

(*b*) competent staff have been difficult to recruit ; to an extent (not entirely) because of this, works undertakings have been among the most disappointing of all ;

(*c*) on contracting work Corporation will concentrate on West Africa where Government programmes especially as to roads far outrun resources available ; any new activities will be restricted to what staff and organisation can efficiently handle.

ABANDONED UNDERTAKINGS

74 Keningau Cattle Ranch

(1) This was a proposal for rearing beef cattle in the Keningau plain of North Borneo.

(2) (*a*) No single area of suitable land large enough for an economic project could be found ;

(*b*) various alternative areas were investigated by a ranching expert ; all were unsuitable ;

(*c*) in November the idea was abandoned.

(3) Cost was £1,670 and has been written off.

75 British Somaliland Camel and Sheep Abattoir and Trading Investigation

(1) (*a*) This was a project to erect an abattoir at Berbera for camels and sheep ; at present the territory is overstocked ;

(*b*) pending establishment of abattoir, an investigator in Berbera explored hide and skin resources.

(2) (*a*) Disease restrictions on import of mutton from Somaliland compelled rejection of proposal to slaughter sheep ; it was doubtful if the abattoir could be made to pay on camels alone ;

(*b*) market reaction to sample lots of hides and skins was discouraging, due to faulty production locally and to lack of interest by UK tanners in processing a specialised product ;

(*c*) shipping facilities from Somaliland were inadequate.

(3) (*a*) In January 1952 Corporation decided to abandon the project ;

(*b*) cost was £11,297 and has been written off.

76 Nyasaland Fisheries Ltd

(1) Corporation was a minority shareholder in this Company operating a fishery on Lake Nyasa.

(2) (*a*) Unsatisfactory state of Company's business described in last year's report was discussed between Corporation, Nyasaland Government and Ocean Products Ltd—the majority shareholder ;

(*b*) no mutually acceptable basis for continuing the fishery was found ;

(*c*) in May 1951 it was decided to liquidate.

(3) £9,500 was provided in Corporation's 1950 accounts against expected loss on this investment ; a further provision of £2,200 has been made in 1951 accounts.

77 Atlantic Fisheries

(1) (*a*) This was a project to catch and process shark, tuna and crawfish off West African coast by means of factory ship, "African Queen" ;

(*b*) the vessel reached Bathurst (in Gambia) on 8.1.51.

(2) Doubts expressed in 1950 Report were indeed well-founded.

(3) (*a*) Catches of sharks during six months to 30.6.51 were above estimate ;

(*b*) but price of shark liver oil had fallen and value of catches was thus far below estimate :

(*c*) crawfish and tuna resources were explored from July to September, but only at end of period with any results at all ;

(*d*) high operating costs made it impossible even on best expectation of catches for the ship ever to earn profits.

(4) Management was wholly unsatisfactory ; an officer from headquarters was sent out to take charge.

(5) At beginning of September it was decided to abandon the undertaking, a full statement being sent to the Secretary of State.

(6) (*a*) The vessel returned to UK in October ; crew and staff were paid off ;

(*b*) she now lies for disposal at North Shields ;

(*c*) offers are being considered.

(7) (*a*) Government of The Gambia took over at valuation a number of the motor fishing launches, some fishing gear and other items of equipment of the shore installation ;

(*b*) these and other local sales realised about £12,000.

(8) (*a*) Produce of factory ship realised about £16,000 ;

(*b*) trading loss at 31.12.51 was £125,927 ;

(*c*) development costs and losses on realisation, so far £87,090, have been written off and provision made for further expected losses of £161,127.

(9) This has been one of the worst failures.

78 Gambia Poultry Farm and River Farms

(1) (*a*) In April 1951 there was an epidemic of Newcastle disease which wiped out the poultry flock ;

(*b*) that was the end of poultry farming.

(2) (*a*) In May an expert committee, including representatives of Colonial Office, Gambia Government and Corporation, examined the agricultural possibilities of the land and recommended establishment of an experimental farm at Yundum (see para 62) ;

(*b*) Gambia Government and Corporation accepted these recommendations ; Colonial Office approved.

(3) (*a*) Remaining assets of poultry farm are being liquidated ; buildings not required by experimental farm have been taken over by Gambia Government at salvage value (£8,766) ; local sales of vehicles equipment and stores to 31.12.51 have realised £49,417 ; caterpillar tractors, ancillary equipment and spares were sold for £22,500 as they stood ; selected equipment is being handed over to the new farm ; equipment and stores not saleable locally have been shipped or await shipment to UK ; balance of equipment considered useless has been written off ;

(*b*) cleared land has been rehabilitated or allowed to regenerate ;

(*c*) provision was made in 1950 accounts for £450,000 capital loss and £177,674 revenue loss ;

(*d*) additional capital loss written off in 1951 was £82,162 ; revenue loss £93,002 ; total loss will be about £800,000.

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